FLORIDA PUBLIC SERVICE COMMISSION

1984-85
ANNUAL REPORT

Copies of this report can be obtained from the Florida Public Service Commission, Consumer Affairs Department, 101 E. Gaines Street, Tallahassee, Florida 32301.

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THE COMMISSIONERS

The Public Service Commission's five Commissioners are appointed to four year terms by the Governor from selections presented to him by a nominating council. The commission was changed from an elective to an appointive board and expanded from three to five members by the 1978 Legislature.

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JOHN R. MARKS

Commissioner Marks, who is the current chairman of the commission, was appointed by Governor Graham in March of 1979. He was reappointed to a second term ending in January, 1986. Marks, a native of Miami, is an attorney and was previously a hearing examiner with the commission.

GERALD L. GUNTER

Commissioner Gunter was appointed by Governor Askew and took office in January, 1979. He was appointed by Governor Graham to another four-year term beginning in January, 1983. Gunter has a masters degree in management and is a former city councilman of Titusville.

JOSEPH CRESSE

Commissioner Cresse, of Tallahassee, was appointed by Governor Askew in 1979, and was reappointed by Governor Graham to a second four-year term beginning in January, 1983. Cresse was formerly Assistant Secretary of the Florida Department of Administration and State Budget Director. He has a degree in accounting.

KATIE NICHOLS

Commissioner Nichols was appointed by Governor Graham and took office in January, 1981. She was reappointed to a second four-year term beginning in January, 1985. Ms. Nichols became interested in utility regulation and began studying the PSC and attending the commission's hearings and meetings several years before she was appointed to the commission.

SUSAN W. LEISNER

Commissioner Leisner, who is from Tampa, was appointed by Governor Graham and took office on February 16, 1981. She was subsequently reappointed to a four-year term ending in January, 1986. Ms. Leisner is a chartered financial analyst, has a MBA and has been a writer for several financial publications.

A RATE CASE - WHAT'S INVOLVED

During 1984, the commission handled rate increase requests from three of the four major electric companies in the state. Five natural gas rate cases were also handled during the year, along with requests from six telephone companies. The following is a brief description of what is involved in a rate case.

* * *

The Public Service Commission, under state law, has the responsibility for regulating the rates and service of investor-owned utilities in the state. Florida Statutes direct the commission to set rates for regulated utilities which allow the companies the opportunity to earn a reasonable rate of return on the investment used in serving the public.

When a utility requests a rate increase, the company is required to file extensive information concerning its operations, expenditures, assets, etc. Under Florida law, the commission has eight months to take final action in the case.

Public hearings are held in major cities in the service area of the utility so customers can comment on the rate increase request and the service they receive.

Hearings are also held in Tallahassee in which testimony is heard on all aspects of the company's operations and on the information filed in support of the rate case. The commissioners, staff, and intervenors cross-examine witnesses and request additional information as necessary. The commission staff, after evaluating all testimony and evidence in the case, makes a recommendation to the commissioners on what increase, if any, the utility is entitled to. The commissioners then go over each separate issue in the case, and make decisions on the amount of increase, the rate of return, how the rates should be structured, etc. Any utility expenditures which are determined to be unnecessary or improper are not included in the rates.

After the commissioners vote on the case, an order is issued outlining the decisions and setting the maximum rate of return the company is allowed to earn on its investment. The commission staff then monitors the company's earnings in a continuing surveillance program to insure that the company does not exceed the maximum allowed rate of return. Also, the allowed rate of return does not guarantee that the utility will actually earn that rate of return.

THE FLORIDA PUBLIC SERVICE COMMISSION IN 1984

The commission was created by the Legislature in 1887 as the Florida Railroad Commission. Its primary purpose was the regulation of railroads. Regulatory authority was added over the years to include telephone companies (in 1911) and electric utilities (in 1951). The title of Florida Public Service Commission was designated in 1965. Regulatory authority in 1984-85 includes areas of the electric, telephone, railroad, water and sewer and natural gas industries.

In 1984, the commission split its time handling major rate cases for three of the four biggest electric utilities, as well as continuing to deal in depth with issues facing it as a result of deregulation and divestiture in the telephone industry...issues such as access charges, competition, coin telephones and directory assistance.

The commission took an extremely hard look at the issues before it. The PSC refused to allow Southern Bell to pass an increase to its customers as it had requested, continued to take a tough stand against any access charges being included on customer's bills, and made extensive use of an operating and maintenance threshold index in rate cases. The following is a summary of the major cases and issues handled by the Public Service Commission during 1984.

* * *

ELECTRIC RATE CASES

In all three electric utility rate cases it handled during 1984, the commission made extensive use of the operating and maintenance threshold index in an effort to insure that utilities operate efficiently and hold rate increases to a minimum. Companies had to justify why their operating and maintenance expenses increased faster than inflation and customer growth, and expenses in excess of the threshold index were passed on only if fully justified.

On November 23, 1983, Florida Power and Light Company filed a request with the Public Service Commission for a total of $455.5 million in rate increases. The company asked for a $355 million increase for 1984, with $63.9 million of that amount put into effect as interim rates. The utility also said it would need an additional increase of $120 million in January, 1985.

FP&L said the rate increase was necessary since its last increase was based on 1982 conditions and would not

allow the company to earn a reasonable rate of return for 1984 or 1985. The company requested a rate of return of 11.18 percent. The rate of return established in the company's last rate case, in December 1982, was 10.83%.

The commission denied the company's request for any interim rate increase, questioning the utility's increase in operation and maintenance costs.

In its final decision, the commission granted the company a $204.6 million increase, less than half of the amount FP&L had requested. A portion of that amount ($84.1 million) was effective for meter readings taken on or after July 20, 1984. The remaining $120.4 million of the increase will be effective in January, 1985. This was the first time the PSC had approved a "subsequent year adjustment" for a company requesting an increase, a new procedure which should help cut-down on the frequency of rate requests.

The biggest cuts made in the amount requested by FP&L came with the reduction of approximately $83 million in operating costs, elimination of construction-work-in-progress allowances, and a reduction of the company's authorized return on equity.

On February 1, 1984, Florida Power Corporation filed a petition with the PSC asking for a total rate increase of $138 million. Florida Power proposed raising rates in two parts. The utility asked for a $55 million increase to cover higher operating costs, effective after the PSC made a final decision in the case, with no increase in the company's rate of return. The company later adjusted this initial part of the request to a $41 million increase.

Second, the company requested an additional $83 million for the new Crystal River coal plant when it went into operation.

In its final decision, the commission granted a $93.4 million total increase, or about three-quarters of the amount Florida Power requested. The PSC agreed with the company on the $83 million rate increase for the new plant, saying that the additional lower-cost power the plant would produce was needed. The commission made cuts, however, of about $30 million in the company's request for increased operating costs, approving only a $10.2 million increase in that part of the case. The PSC also reduced Florida Power's return on equity from 15.85% to 15.55%.

The first part of the rate increase, which took effect in October, raised the 1000 kwh residential bill by $1.14, but the increase was offset by lower October fuel prices. The second step of the rate increase went into effect November 19, 30 days after the Crystal River plant went into operation, and raised bills by $1.40.

On April 27, Gulf Power Company asked the PSC for a $28.4 million rate increase. The company later reduced the amount of the request to $18.7 million.

The commission approved a $4.6 million increase for the utility. The increased revenue mainly came from a $1.25 monthly increase in Gulf Power's residential customer charge, with only a small increase in the per kilowatt hour energy charge.

The commission decided to keep Gulf's winter/summer rate differential, and not to increase service charges with the exception of an increase for temporary service connection. The company's return on equity was reduced from 15.85% to 15.6%, and the over-all return was set at 9.75%.

OTHER ELECTRIC ISSUES

The Public Service Commission strongly supported a new building code requiring tougher energy conservation standards for new homes, and the new code took effect in 1984. The new standards are expected to reduce energy consumption in new homes by as much as 50 percent, and will repay homeowners for the additional cost within seven years through energy savings. By applying the stricter standards to the more than 150,000 new homes built in Florida each year, it is expected that the need for new power plants can be reduced since the homes will use less electricity.

The PSC began reviewing the conservation goals it adopted in 1980 to see if there should be any modification of the goals. The staff has recommended that specific kilowatt hour goals be removed in favor of concentrating on reducing the growth in demand, and that the specific numeric requirement for energy audits be dropped.

A new rule was approved increasing the amount of interest paid on utility deposits placed by businesses. Previously, regulated utilities paid eight percent interest on deposits. Residential deposits must be refunded in 25 months if prompt payment is established, but utilities do not have to refund commercial deposits.

The new rule adopted by the commission in 1984 requires utilities to pay 9 percent interest on commercial deposits after 25 months. The commission will review the interest rate during utility rate cases to see if it should be increased or decreased.

GAS UTILITIES

On October 17, 1983, South Florida Natural Gas Company asked the Public Service Commission for a $258,651 rate increase, and asked to put the entire amount into effect immediately as interim rates. On November 6, the PSC granted the company an interim increase of $217,627, subject to refund depending on the final decision in the over-all case. In its final decision in the case, the commission let the interim increase stand, and added $937. The final rates were effective May 4, 1984.

Also in late 1983, Miller Gas Company requested a $475,565 rate increase. The commission granted an interim rate increase of $273,770, effective November 17, 1983. The final decision in the case added $18,083 to the interim amount, effective on March 16, 1984, for a total increase of $291,853. Miller Gas serves 5,000 customers in the Miami area.

City Gas Company requested a $4.8 million rate increase in early 1984. On May 1, the PSC suspended the proposed rates and granted the company a $2.3 million interim rate increase. In August, a stipulation was reached concluding the case. The commission granted the company a total $3,887,830 rate increase, effective on September 8, 1984. City Gas is the second-largest natural gas company in the state, serving 80,000 customers.

Earlier, the commission ordered City Gas Company to step up its testing of gas meters or face a fine. The commission found that City Gas had not kept up with PSC testing requirements designed to assure accuracy of meters, and said the utility must bring its meter testing into compliance with PSC rules by July, 1985, or face a $25 per day fine. The company said it was now testing 2,400 meters each month in its effort to catch up to PSC standards.

Gas utility adherence to commission safety rules and meter testing became issues in most gas utility rate cases. Gas utilities found to be in violation of commission rules were

often penalized by either a fine or a lower allowed return on equity.

Timberland Gas Company requested a $97,251 rate increase during 1984. The commission approved a $55,000 interim rate increase for the company, effective December 13. Hearings are scheduled for early February.

Gainesville Gas Company requested a $790,864 rate increase on October 1, 1984, and asked to put $146,862 of the amount into effect immediately as interim rates. The commission approved an interim increase of $130,910, effective October 19. Hearings were held in the case on January 17, 1985.

The commission adopted a general revision of its Gas Safety Rules effective October 1. The purpose of the revision was to update references, clarify language, and enhance public safety.

Some key areas of safety enhancement include a requirement that companies take prompt and continuous action to protect life and property when there are hazardous leaks, and repair other leaks within 90 days; new corrosion control electrical survey requirements; specific requirements for initiation and interruption of service; and requirements that the commission be notified of natural gas construction projects to facilitate safety evaluations.

TELEPHONE RATE CASES

Northeast Florida Telephone requested a $499.627 rate increase in 1984. The commission approved $135,000 stipulated increase for the company. The new rates, which were effective in May, raised basic residential local service charges by $1.25.

In April, Gulf Telephone requested a $1.2 million rate increase. In May, the PSC granted the company a $491,633 interim rate increase while the case was being studied. The final amount approved by the commission was a $398,947 permanent rate increase, and the difference between the interim and final rates was refunded to customers.

On January 17, 1984 Alltel Florida (formerly North Florida Telephone Company) requested a $2.5 million rate increase. The rates were suspended on March 6. In its final decision, the PSC approved a $558,658 increase for the company, less than one-quarter of the amount requested.

Continental Telephone of the South (Georgia) was perhaps the smallest case the PSC handled all year. Continental-Georgia filed an application with the commission on February 10 to increase its revenues by $967 from its Florida customers near Bologne to coincide with a rate increase granted by the Georgia PSC for its other areas. The commission approved the request.

On August 31, General Telephone Company filed an application with the commission for an $83 million rate increase. The commission suspended the request so the rates could be studied.

Later, Gentel withdrew its rate increase request, saying a review of its earnings showed that an increase was not necessary.

The most complicated and unusual rate request handled by the commission during 1984 was the request of Southern Bell for an additional $92.5 million increase because of losses it experienced due to the transfer of customer premise equipment to AT&T. Southern Bell asked to increase local phone charges in order to make up for this shortfall.

The commission granted the company an interim increase of $35.9 million in April, 1984. After considering the evidence in the case, the PSC found that the information furnished during

the proceeding was inadequate to accurately identify the exact revenue requirement effect of divestiture. The commission said there was some cost, however, and allowed Southern Bell to continue to collect $9.7 million from the intrastate toll pool and $26.2 million from AT&T in the form of a surcharge until the end of 1984.

TELEPHONE ISSUES

Beginning November 21, telephone companies in Florida were no longer allowed to continue incorporating municipal and county franchise charges in basic telephone rates. The November deadline was set two years ago when the commission adopted a rule that phone companies should charge the franchise fee to customers in areas where the city or county required the charge, and not to the general body of ratepayers in base rates. This direct method of franchise fee billing has been in effect for regulated electric companies for several years.

The change to the direct application of franchise fees for telephone companies resulted in a small reduction in base rates since franchise fees of 1% or less which were previously included in the base rates were removed.

The commission also ruled that telephone companies cannot provide free or reduced rate telephone service to municipalities or counties in lieu of or in additional to the franchise fee.

The commission amended its rules on disconnection of telephone service to provide more protection to customers in cases where other residents have had service disconnected for nonpayment. The rules clarify situations in which a phone company can disconnect service because someone living at a residence who owes a bill has benefit of telephone service.

The new rule says that phone companies cannot disconnect for "delinquency in payment for service by a previous customer, unless the current applicant or customer occupied the premise at the time the delinquency occurred and the previous customer continues to occupy the premises and shall benefit from such new service."

The rule also prohibits the phone company from disconnecting the service of a good paying customer when a customer who was delinquent at another address moves in, and prohibits the company from disconnection for delinquency in payment for separate telephone service of another subscriber in the same residence.

The commission made a final decision during 1984 in its investigation into the services and equipment offered to hearing-impaired telephone customers. The PSC decided that telecommunications devices for the deaf, ring signalers and volume control handsets should be offered for lease by phone companies in the state, and that the equipment should be offered at cost, with no profit to the phone company. The PSC said any subsidy of the equipment would have to come from legislative action. The decision concluded a year-long investigation of phone service for hearing-impaired customers, which included hearings around the state to receive comments.

The commission also said hearing-impaired customers should not receive lower local telephone rates, but should receive a discount on toll calling because of the length of time necessary to use a telecommunications device for the deal (TDD), by which a message is typed out over the phone lines.

A decision was also made to allow TDD customers to receive non-published phone numbers at no charge, if they choose nonpublished service, or to have the phone company note in the directory that there is a TDD number.

The commission decided not to initiate rulemaking for the regulation of telephone service provided by hotels and motels. The issue was brought to the PSC by a complaint about the service charges made by many hotels and motels to guests for phone service. The commission thought there should be full disclosure of the charges, but felt rate regulation was not necessary.

The Florida Department of Business Regulation adopted rules requiring the posting, both in advance of checking in and in each hotel room, of additional charges for telephone service. The commission viewed DBR's rule as adequately providing the type of full disclosure the PSC sought, and concluded its investigation.

The commission decided that there should be a uniform coin telephone charge of 25¢ throughout the state. The PSC voted not to change rates immediately, though, saying that it would increase the rates of companies with a 10¢ coin phone charge as rate reviews were handled for those companies, rather than changing rates all at once.

The only company in the state with a 25¢ coin phone charge is Southern Bell. The other 14 companies providing telephone service in Florida have a 10¢ charge, except for hotels, motels, and convention centers in the Winter Park area, which is a part of the United Telephone Company, where the charge is 25¢.

The commission's decision on the uniform statewide coin phone rate came after three years of investigation. Studies showed that the average cost of a coin phone call was 23¢, and the commission believes that customers who make coin phone calls should pay that cost, rather than have the charge subsidized through monthly local service charges. The 10¢ coin phone charge had been in effect for 30 years.

Even though Southern Bell already had a 25¢ coin charge, there will be some changes in that company's coin phone policy as a result of the commission's decision. Presently, Southern Bell has a lower charge of 10¢ at coin phones in certain locations, including public schools, city, county and federal hospitals, and federally funded low-income housing projects. The commission decided to eliminate this differential on the advice of its legal staff. Like the changes in coin rates for other companies, this change will be made with the company's next rate review.

Access charges for intrastate service were ordered by the commission and implemented in January, 1984. The access charges that were approved minimized disruption for customers and provided an opportunity for local exchange companies to maintain reasonable earnings levels without increasing local rates. Many access charges issues, however, remained to be resolved in 1984.

First, the commission heard testimony and decided the issue of the $31 million error in projected revenues. Based upon the evidence presented, the commission determined a refund of $13.2 million was appropriate.

In addition, hearings were held concerning the establishment of Equal Access Exchange Areas (EAEAs). As a result of those hearings, the commission ordered the establishment of 22 EAEAs and provided for these areas to be toll monopoly areas on an interim basis until September 1, 1986. Hearings will be held prior to then to determine if the continuation of toll monopoly areas are in the public's best interest.

The PSC also decided the issues of presubscription, default traffic, and phaseout of the discount. The commission decided that presubscription will occur when equal access is available.

Customers will have a free choice of carriers during the first six months when equal access becomes available. After the six month period, customers will be charged a total of $10 ($5 each from the intrastate and interstate tariffs) to change their designated carrier. Traffic of customers who do not presubscribe (default traffic) will be routed to the carrier of last resort (AT&T). The commission decided that the discount afforded IXCs other than AT&T will be phased out as equal access becomes available. The phaseout of the discount will be on a prorata share of access lines.

The PSC heard further evidence on access charge rate structure and ordered that certain changes be made in the current structure. Specifically, the commission ordered time of day discounts for all originating access charges, EAEA wide termination of FGA traffic and unbundling of special access from a single rate element (station terminal) to individual elements that make up the service.

As part of the access charge studies, the commission approved a new policy for handling directory assistance calls statewide. The new plan requires a 25¢ charge for both local and long distance directory assistance. For local directory assistance calls there will be a three-call allowance, and then a 25¢ per call charge after that allowance. For in-state long distance directory assistance there will be a flat 25¢ per call charge. The new plan applies to all phone companies in the state.

The commission approved the new policy December 10. Phone companies were required to file data on the plan in January. The commission will take a final vote on implementing the plan later this year.

COMPETITION IN THE TELEPHONE INDUSTRY

The commission had certificated a total of 45 inter-exchange carriers by the end of 1984. Fifteen of these were issued new certificates in 1984.

A number of companies asked the PSC about being certified to provide coin telephone service as an alternative to the coin phone service offered by local telephone companies.

The Public Service Commission decided that competition in the pay telephone industry was in the best interest of customers in Florida, but it must await action by the Florida Legislature.

The commission held that competition should be allowed for both local and long distance pay telephone calls, but that Florida laws would have to be changed to allow the sale of local coin phone service by anyone other than the local phone company. The PSC is seeking statutory changes so local coin phone calling competition can begin.

Long distance coin phones can be provided as soon as companies wanting to provide only long distance service by coin phone receive certification from the PSC.

In order to protect the public, the commission said some price and service standards for companies entering the coin phone market have to be set. The commission will require companies to apply to the PSC for authority to operate coin service, require them to meet certain standards such as access to emergency service, access to directory assistance, and posting of the party responsible for the phone. The PSC also said it would set maximum charges for both local and long distance coin phone calls in order to protect the public.

The commission approved two filings by AT&T for discount long distance calling plans in the state. The first plan, called Reach Out Florida, allows customers the option of paying $9 monthly for one hour of long distance calling time for AT&T handled calls within the state during the night and weekend calling hours. Additional calling time during that period is billed at a rate of $8.25 per hour. Customers who decide to subscribe to the plan also receive a 15 percent discount off of the evening long distance rates for intrastate calls. There is a one-time charge of $14 for subscribing to the service.

The other plan, called AT&T Pro Florida, allows customers a 15 percent discount on all in-state calls for a $20 per month charge. Since customers would have to make $133 worth of intrastate long distance calls per month to benefit from the plan, it appears to be directed to business customers with medium calling volumes.

COURT RULINGS

The Florida Supreme Court upheld a 1981 Public Service Commission ruling granting Southern Bell a $140 million rate increase. The commission's decision, which granted about half of the amount Southern Bell had sought, had been appealed to the court by both the utility and the Public Counsel. The court ruled that the PSC's decisions in the case were proper, and said the commission had the right to use projected data in setting the rates.

The court upheld the commission's decision on the handling of city surcharges for out-of-town municipal electric customers. The commission had ruled that the surcharges could not exceed the amount of the city utility tax charged to in-city residents. The decision was appealed first by cities, and later by counties. The court upheld the commission's action in both cases.

The court upheld a PSC ruling which will help keep rates lower by reducing the amount of income tax expense a utility company can claim in a rate case. The commission had said the utilities must use actual income tax figures filed by parent companies. The utilities wanted to use hypothetical, and higher, figures based on what subsidiaries would have paid if they had been independent companies. The court upheld the commission's decision on the tax handling, in what the PSC General Counsel termed "a major victory for consumers."

The court disagreed with the PSC ruling which would have required Florida Power Corporation to refund $11 million to its customers. The refund ordered by the commission was the result of an outage at the utility's Crystal River nuclear plant.

The commission said that poor management on the part of Florida Power extended the outage, and caused customers to pay higher rates for replacement fuel. The commission said that the customers should not have to bear the additional expense.

The court disagreed with the commission's ruling, saying first that the PSC relied too heavily on other documentation, and later that the PSC did not prove the allegation of management error at the plant.

LEGISLATIVE ISSUES

In spite of the urging of the Florida PSC and other state regulatory commissions, the U.S. Senate tabled legislation designed to delay the implementation of telephone access charges and ease the impact on local phone rates of the breakup of AT&T. State regulators had favored passage of the bill, saying it was urgent for legislators to establish national telecommunications policy.

In Florida, the decision was termed "just one battle lost in the war" as the commission said it would continue to oppose the FCC access charge plan.

During the 1984 Florida Legislative session, the PSC supported proposed legislation that would place an "impact fee" on new residential construction to cover part of the cost of providing new electric transmission and distribution facilities. The proposal would have required each utility to include in its rates a contribution in aid of construction to be assessed against the owner of a new residential unit. A utility could only initiate permanent service to a new home for which the contribution had been paid.

The proposal set the contribution in aid of construction at "the difference between the additional average transmission and/or distribution costs of serving new residential units and the average transmission and/or distribution cost reflected in the present rates." It also provided that utilities use the funds solely "to finance the cost of bringing new plants into service" and that "costs so financed shall serve to reduce the utility's rate base relative to residential customers."

Although the bill did not pass, the commission says its intention is still to see that at least part of the cost of providing new facilities and related equipment is placed on those persons causing the increased demand.

The commission sponsored legislation passed in the 1984 session of the Florida Legislature affecting each regulated industry except gas companies.

A procedural "clean up" bill amending Chapter 367, the commission's water and sewer authority, was passed which clarified the pass through and indexing provision, established a procedure for the deletion of territory, and established a limited proceeding for water and sewer matters.

Under another bill, county and municipal governments have standing to object to the issuance of a water or sewer certificate by the commission on the grounds that the issuance will violate local comprehensive plans. If such an objection is raised, the commission shall consider, but not be bound by, the local comprehensive plan.

Probably the most important and innovative commission legislation passed was a bill which established a funding mechanism by which local governments contract with utilities to provide advanced financing to construct the electric generating facilities which are part of resource recovery units. The bill requires this commission to approve such contracts and to adopt all rules necessary to implement the act. Since the passage of the legislation, the commission has been contacted by numerous cities and counties inquiring into how they can enter into such contracts.

The commission's limited rate jurisdiction over the railroad industry was scheduled to "sunset" on October 1, 1984. A compromise reached during the 1984 session extended the commission's railroad jurisdiction for one year.

Also in 1984, Chairman Gunter called for the elimination of federal roadblocks that he says make it difficult for states to conserve energy.

In a letter to Congressman Richard Ottiger, Chairman of the Subcommittee on Energy Conservation and Power, the PSC chairman cited as an example the lack of a national standard for efficiency of air conditioners, and

said it prevents Florida from establishing a standard. States are prohibited from imposing standards more stringent than federal standards, and when there are no federal standards it prevents states from establishing them. In Florida, where there is heavy use of air conditioners, the commission felt that having a state efficiency standard would be very beneficial for conservation.

The commission also developed and submitted to the FCC for approval a proposal for a unified interstate/intrastate access charge tariff. The commission met with members of the FCC, NARUC and Congress regarding the Florida proposal. The FCC has committed to putting the Florida proposal out for comment and response.

EXECUTIVE DIRECTOR

David Swafford

The executive director is, essentially, the chief of staff of the commission with general responsibility over the technical and administrative operations of the commission. He coordinates the activities of the departments, is responsible for the implementation of commission policies, and makes recommendations for the development and articulation of policy questions. The executive director serves with the general counsel in coordinating inter-agency and legislative liaison, and consults with and advises the commission on economic and governmental matters.

* * *

The office includes two deputy executive directors. William Talbott is deputy director over the technical departments, including the Communications, Electric and Gas, Water and Sewer, Auditing and Financial Analysis, Research, and Rail Transportation departments. Jay McGlon is deputy director over the Administration and Consumer Affairs departments, the Commission Clerk, and the Office of Information Processing.

This division of executive duties helps to facilitate the flow and efficiency of the commission's workload, as well as providing the proper direction and leadership for the staff. Legislative liaison work is done by the executive director.

Case Manager

A case manager, who reports directly to the executive director, was established by the PSC to aid in expediting the movement of docketed cases through the commission. The case manager is responsible for the planning and development of systematic procedures for handling and processing all cases and for the development of appropriate manuals depicting staff operating policies and systems. The case manager also assists in assignment of cases and reports to the executive director on the overall status of case load, especially on older or delayed cases.

* * *

As of December 31, 1984 the total number of open cases on hand at the PSC was 377, the lowest year-end total in the past five years. This total is a reduction of 105 (21.8%) below the previous year's figure of 482.

New cases opened in 1984 totalled 478, a decrease of 123, or 20.5%, below the 601 cases opened in 1983. In addition to the new cases, 10 formerly closed cases were reopened. The commission disposed of and closed 593 cases in 1984. This is 35 (or 8.5%) fewer than the 648 cases closed in 1983.

There were 69 cases more than two years old the end of 1984, up from 66 at the end of 1983. This increase of 3 old cases occurred in the Monitor and Litigation categories. Active cases over two years old totalled 30 at the end of 1984, versus 35 at the end of 1983.

GENERAL COUNSEL

William Bilenky

The Office of the General Counsel is responsible for the legal functions of the commission. There are two areas of responsibility, the General Counsel/Advisory section and the General Counsel/Legal section.

The Advisory section, headed by Susan Clark, has the responsibility for providing indirect legal services and advice to the commissioners. It prepares notices, recommendations and orders; attends hearings; participates in matters before state and federal courts; promulgates rules and regulations; and acts as inter-agency and legislative liaison in cooperation with the executive director.

The General Counsel/Legal section is headed by Roger Howe. This section provides direct legal services and represents the staff in proceedings before the commission, Division of Administrative Hearings, and the Circuit Courts.

* * *

General Counsel/Advisory

In 1984, the commission took action on 92 rules. The validity of one rule was challenged before the Division of Administrative Hearings, and no decision has yet been made.

In 1983, 14 appeals of commission orders were initiated. Seven of these related to communications, four to electric, one to water & sewer and two related to administrative matters. Sixteen appeals were closed in 1984. In six of these the commission decision was affirmed. In two the decisions were affirmed in part and reversed in part. Three were dismissed on motion by the commission. Two were voluntarily dismissed, one circuit court decision was reversed, one writ of prohibition was denied, and one commission decision was reversed. Currently there are 25 open appeals dockets.

Commission-sponsored legislation was passed this past session which affected each industry regulated by the commission, except for the gas industry.

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Under another bill, county and municipal governments have standing to object to the issuance of a water or sewer certificate by the commission on the grounds that the issuance will violate local comprehensive plans. If such an objection is raised, the commission shall consider, but not be bound by, the local comprehensive plan.

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into how they can enter into such contracts.

The commission's limited rate jurisdiction over the railroad industry was scheduled to "sunset" on October 1, 1984. A compromise reached during the 1984 session extended the commission's railroad jurisdiction for one year.

In the telecommunications field, the commission actively opposed the deregulation of the mobile cellular radio industry. Despite testimony before Senate and House Committees, and a requested veto by the Governor, the commission lost jurisdiction over mobile cellular radio as of October 1, 1984.

There has been a significant amount of activity in the telecommunications area, both on the state and federal level. Specific areas of federal involvement were:

In the Federal Communications Commission access charge proceedings, the commission took an active role in several ways. First, staff representatives of the commission participated in the Federal/State Joint Board meetings which ultimately led to the drafting of a recommended order which was adopted by the FCC. Also, the commission continued to reassert its position in favor of the principles set forth in the St. Louis Resolution adopted by the National Association of Regulatory Utility Commissioners.

The basic premise of the resolution is to allow the states to implement and administer a unified intrastate/interstate access charge plan under broad federal guidelines. To this end the commission has filed a unified interstate/intrastate access charge plan and proposed tariff with the FCC to be adopted as an experiment to test the feasibility of state administered access charges for both interstate and intrastate access.

The commission filed comments with the FCC in response to an MCI petition seeking a declaratory statement from the FCC preempting state jurisdiction over the allocation of Other Common Carriers access minutes of use between intrastate and interstate jurisdiction and reporting requirements. The commission argued against preemption and a decision by the FCC is still pending.

The commission filed comments with the FCC in the matter of the "Authorized Rate of Return for the Interstate Services of AT&T Communications and Exchange Telephone Carriers."

Participation in major federal court proceedings was also handled by the advisory staff. These proceedings included federal preemption of depreciation rate setting and the imposition of a flat rate interstate customer access line charge. Decisions in both of these cases will have a major impact on the cost and quality of telephone service in Florida and the commission's ability to set local rates in the future. The FCC's actions in setting interstate access charges and preempting intrastate depreciation rates were upheld by federal appeals courts. Petitions for writs of certiorari have been filed with the U.S. Supreme Court. The Advisory Section continues to monitor filings in the divestiture proceeding before Judge Greene and has defended the commission's position in a motion to compel filed by AT&T relative to the commission imposed divestiture related surcharge.

Other FCC proceedings also drew the attention of the commission. These include proceedings involving requirements for interconnection of instrument implemented payphones and revision of the uniform system of accounts for telephone companies.

Finally, the Advisory Section participated in NARUC's representation

before Congress of the state regulators' position relative to the Cable Franchise Policy and Communications Act of 1984. The staff was instrumental in preserving state jurisdiction over services provided by cable companies which are similar to telephone service.

In attempting to implement its cogeneration rules, the commission confronted a jurisdictional issue regarding wheeling rates for cogenerated energy. In conjunction with Florida electric utilities, a request for a declaratory statement was filed with the Federal Energy Regulatory Commission (FERC) seeking a clarification of the question of who has jurisdiction over wheeling rates for cogenerated power. FERC issued its declaratory statement indicating that jurisdiction over the wheeling of virtually all electricity from the Florida electric utilities lies with FERC.

General Counsel/Legal

Rate cases were concluded for Florida Power and Light Company, Florida Power Corporation, and Gulf Power Company. Considerable time was expended on the continued rewriting of the additional cogeneration rules and on developing procedures for the implementation of those rules. Emphasis was directed towards rules dealing with "wheeling" of electricity between the companies.

In a unique docket, the commission ordered Gulf Power Company to refund $2.6 million of over expenditures on coal purchased from Maxine Mine in Alabama. During 1984, four gas rate cases were concluded and an additional three were being processed at year's end.

The year 1984 was exceptionally busy for the telecommunications section of the Legal Department because of the changes in the telephone industry. One issue was the cost and effects of divestiture on intrastate telephone service in which the commission prevailed in the Florida Supreme Court when ATT-COM challenged the authority to grant an interim award to Southern Bell partially based on a divestiture-related surcharge to ATT-COM.

The Legal Section was involved in the access charge proceedings, including billing and collection procedures, the coin telephone charge investigation, certificating of resellers, work on the local exchange pricing docket, Southern Bell's Dial It tariff, two over-earnings investigations, and the competitive provision of pay telephone service.

Five proceedings on the petitions to waive our separate subsidiary rule were resolved in 1984. United, General, and Southern Bell agreed to establish separate subsidiaries for the sale and maintenance of new CPE, making their petitions moot. Continental agreed to establish a separate subsidiary for sale of CPE, but was granted waiver to provide maintenance and installation. Centel was ordered to establish a separate subsidiary and has requested our reconsideration of the matter.

ADMINISTRATION DEPARTMENT

James Ward, Director

The Administration Department has overall responsibilities throughout the commission in areas of internal administration, including accounting, personnel, budgeting, planning, purchasing, commission-owned automobiles, duplicating, mail distribution, and leasing of office space and equipment.

* * *

Administration consists of several sections, each handling a specific area of responsibility. The fiscal section operates a centralized accounting office and keeps detailed accounting records for the entire PSC. This section is responsible for disbursements and collection of revenue for the commission. The section prepares payrolls, and audits and codes all travel reimbursement vouchers, purchase orders, and invoices for payment.

The personnel section administers all actions regarding recruitment, employment, pay, attendance and leave to ensure the proper application of state personnel rules and regulations.

The PSC has enhanced the affirmative action program, advanced recruitment efforts, and also has established some sound training programs. The personnel office sends job opportunity announcements to other state agencies, state employment services, and universities, as well as to minority-oriented organizations and publications.

The office services section provides mail and duplicating services. In 1984, the commission spent approximately $4,569 per month for postage, compared to an average of $4,189 in 1983. The commission print shop produced 3,846,527 copies.

The budget and planning section is responsible for overseeing the commission's legislative budget request during the entire fiscal cycle, including preparation, various stages of review and approval, appropriation, implementation, and monitoring.

Although the commission operates on a budget which must have approval of the legislature, actual funding for the agency is through a regulatory trust fund which is made up of fees derived from licenses and taxes on regulated businesses.

The commission has approximately 330 staff members and operates on a $13 million annual budget.

AUDITING AND FINANCIAL ANALYSIS DEPARTMENT

Tim Devlin, Director

The Auditing and Financial Analysis Department serves as the principle advisor to the commission on matters pertaining to taxes, capital recovery, and finance. The department performs audits, issues reports on regulated utilities, and is the official custodian of the annual reports required to be filed by the regulated utilities.

* * *

Auditing and Financial Analysis is the largest department the commission has, consisting of 65 staff members, of which 13 possess CPA certificates, 7 are MBA's and 5 hold MS or MA degrees.

The Management Studies Section of the Auditing and Financial Analysis Department completed a management audit of Gulf Power Company and initiated a cross-sectional study of three telephone companies: General Telephone, United Telephone and Southern Bell. The implementation monitoring programs for Florida Power Corporation and Central Telephone Company were closed. Progress by Tampa Electric Company in implementing recommendations made by Management Studies continued to be monitored. 1984 also brought the completion of a Management Studies Handbook, detailing the process and procedures for use in future audits and for training. For several months four positions from this section were assigned to the Communications Department to assist in developing access charges.

The Field Audit Section began a modernization program by acquiring three portable computers for field audit work. Current projections call for each auditor to be equipped with and trained in the use of a microcomputer by the end of FY 1987. During this period, audit quality should improve while staffing levels are reduced. Audit schedules are being forwarded on 5-1/4" diskettes which can be transcribed to the industry analyst computer program for his/her analysis and evaluation to support rate recommendations.

The EDP Section continues to expand the use of audit software in support of the field audit activity. Among other applications, audit software can examine utility EDP files to verify totals, develop unique schedules, and create statistical samples. Specialized programs such as the "statistical analysis system" can be used to gather audit evidence supporting audit opinions on issues such as the question of equality in the division of personnel resulting from divestiture between Southern Bell and ATT.

During 1984 rules for depreciation studies were implemented for the electric, gas, and water and sewer utilities. Subcategorization rules were implemented for depreciation studies of the telephone utilities, aimed at better grouping of investments in accord with their expected life patterns. A series of computer programs was developed to provide statistical averages for comparative analysis and for use in cases of small companies with inadequate data. A substantial depreciation-related input was provided in the areas of divestiture, deregulation, and equal access in the telephone industry. Formal investigation was begun into the question of additions to Electric Production Plant without commensurate increases to capacity, and of the appropriate level of capitalization versus expensing in the electric, gas and telephone industries.

THE COMMISSION CLERK

Steve Tribble

The Commission Clerk receives and processes all formal matters filed with the commission and keeps the official records. The clerk maintains permanent record books, records the minutes and formal orders of the commission, maintains records on the current status of all pending proceedings, prepares and issues notices of all hearings, arranges hearing sites, and serves all orders. The clerk also assigns docket and order numbers for all proceedings before the commission.

* * *

The job of Commission Clerk is similar to that of a circuit court clerk. Just as the commission's rules of practice and procedure are patterned after those of the circuit courts, the records are kept on a docket filing system much like court cases are filed and placed on a court docket.

Each new filing for commission action is assigned a docket number and a file is established.

After a case is filed, card file records are kept showing the daily activity of work and correspondence.

As new correspondence and legal pleadings are received, the cards are posted as to date, type of filing, names of attorneys and other data. There were 377 active cases in December, 1984.

As official custodian of the records, the commission clerk maintains control of the central file room. Files are checked out to the various departments during the period they are active and are eventually stored as permanent records. After several years, files are sent to the state archives for storage.

Orders of the commission are mailed to participants in the various cases and to required utilities. Copies are filed in the docket files and printed loose-leaf pages are placed in the order books, known as the official record of the commission.

The commission clerk is responsible for arranging hearing sites, scheduling court reporters for hearings and issuing notices of hearings. The clerk also prepares the agenda for commission conferences and circulates copies to the staff and other interested parties.

The Commission Clerk's office opened and handled 478 new dockets during 1984, and processed 9,169 documents in conjunction with these dockets, other open dockets, and administrative matters. A total of 41,109 pages of transcript were prepared, and reporters attended 237 days of hearings. Decisions on 749 docketed matters were processed, with 1,197 orders issued during the year.

Using a document numbering system implemented in 1983, the office begin printing a Daily Report of Filings during 1984. This listing is distributed to key staff persons for their review and use in insuring that filings are receiving proper handling.

During 1983 the Clerk's Office began placing the commission's rules on the word processing system and using this system to produce rule supplements incorporating the numerous rule revisions adopted by the commission. During 1984 the Clerk's Office, with the assistance of the Office of General Counsel, completed the transfer of all rules to the system and published a complete reprint of these rules.

COMMUNICATIONS DEPARTMENT

Walter D'Haeseleer, Director

The Communications Department is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of telephone rates, services, and construction programs. In formal proceedings, the department provides analysis of expert testimony and exhibits, develops cross-examination and direct testimony, and prepares recommendations concerning the disposition of matters before the commission.

* * *

Much of the department's workload during 1984 was related to the deregulation of many telephone services, the introduction of more competition into the telephone industry, and matters related to the AT&T divestiture.

Access charges for intrastate service were ordered by the commission and implemented January 1, 1984. The access charges that were approved minimized disruption for customers and provided an opportunity for local exchange companies to maintain reasonable earnings levels without increasing local rates. Many issues, however, remained to be resolved in 1984.

The commission held hearings concerning the establishment of Equal access Exchange Areas (EAEAs). As a result of those hearings the commission has ordered the establishment of 22 EAEAs and provided for these areas to be toll monopoly areas on an interim basis until September 1, 1986. Hearings will be held prior to September 1, 1986 to determine if the continuation of toll monopoly areas would be in the public's interest.

Furthermore, the commission decided the issues of presubscription, default traffic and phase out of the discount. The commission decided that presubscription will occur when equal access is available. Customers will have a free choice of carriers during the first six months when equal access becomes available. After the six month period, customers will be charged a total of $10.00 ($5.00 each from the intrastate and interstate tariffs) to change their designated carrier. Traffic of customers that do not presubscribe (default traffic) will be routed to the carrier of last resort (AT&T). The commission decided that the discount afforded IXCs other than AT&T will be phased out as equal access becomes available. The phase out of the discount will be on a pro rata share of access lines.

The commission heard further evidence on access charge rate structure and ordered that certain changes be made in the current structure. Specifically, the commission ordered time of day discounts for all originating access charges, EAEA wide termination of FG A traffic and unbundling of special access from a single rate element (station terminal) to individual elements that make up the service.

The commission also developed and submitted to the FCC for approval a proposal for a unified interstate/intrastate access charge tariff. The commission met with members of the FCC, NARUC and Congress regarding the Florida proposal. The FCC has committed to putting the Florida proposal out for comment and response.

During the year, staff was also involved in an investigation of the impact that the AT&T/DOJ anti-trust

settlement would have upon intrastate telephone service in Florida.

Southern Bell filed a petition alleging a $92.5 million revenue shortfall due to the transfer of Customer Premises Equipment to AT&T Information Systems as the result of divestiture. Southern Bell was granted an interim increase of $35.9 million in April of 1984. After considering the evidence in the case, the commission found that the information furnished during the proceeding was inadequate to accurately identify the exact revenue requirement effect of divestiture. The commission did however recognize that there was a cost of divestiture and allowed Southern Bell to continue to collect an annualized amount of $9.7 million from the intrastate toll pools and to continue to collect the annualized amount of the $26.2 million divestiture related surcharge from AT&T Communications until the end of 1984.

The Communications Department participated in one EAS (Extended Area Service) hearing and initiated one customer survey in 1984. Action was completed on thirteen EAS dockets which were then ordered closed by the commission. Twelve new EAS dockets were opened during the same period.

This year began with the commission having ordered the local exchange companies to file a summary of costs, rates and timetables for the implementation of the "Flower Plan," a local calling plan which provides for calling options by a vote of the exchange for exchanges adjacent to the home exchange of the subscriber (or by individual vote if the entire exchange votes it down), and by individual vote for exchanges beyond the first tier. However, on reviewing this information the commission determined that the costs, rates and timetable provided were prohibitive and they asked that other alternatives be presented. The companies and the staff held two workshops to discuss alternatives and the companies presented some possible pilots which could be used to test customer interest, customer impact, financial impact on companies, etc. with the eventual possible goal of developing matrices which can be used to expand and reduce local calling scopes of individuals on an individual basis.

Five rate cases were concluded during the year. These included Continental Telephone Company of the South-Ga., Northeast Florida Telephone Company, ALLTEL Florida, Inc. (formerly North Florida Telephone Company), Gulf Telephone Company and General Telephone Company of Florida. With the exception of Continental of the South-Ga. and General, all cases were resolved through stipulation of the parties. General filed its petition and MFRs and entered into negotiations with the staff and Public Counsel concerning the possible stipulation of its case but later withdrew its petition citing improving economic conditions and forecasts in its service area.

Staff also initiated earnings reviews with Central Telephone Company of Florida, United Telephone Company of Florida and St. Joesph Telephone Company. Stipulated settlements were reached with Central and United. St. Joe withdrew their proposed offer of refund in December stating that receipt of the 1983 settlement true-up substantially reduced their 1983 earnings and makes a refund of any type inappropriate. St. Joe's earnings review is to be finalized in early 1985.

During 1984 service evaluations were conducted in the operating territories of eight of Florida's thirteen local exchange telephone companies. As a part of those evaluations, one inter-exchange carrier (ATTCOM) was also evaluated. Additionally, test calls were made to seventeen local and county emergency 911 systems in fifteen counties across the state to

measure call completion and answer time levels.

A number of deficiencies were found during our evaluations and corrective action has been taken by the local exchange companies involved. Among the more notable improvements made stemming from our evaluations:

1. Southern Bell made retroactive rebates statewide for out-of-service conditions extending beyond 24 hours. An investigation indicates that modification of computer programs due to divestiture had eliminated Southern Bell's routine rebate processing capability and the problem had gone undetected until our evaluation.

2. General Telephone Company of Florida issued an operating instruction "Public Telephone Service Operational Review--Module 6." This procedure was developed and implemented as a result of coin phone deficiencies identified in our evaluation.

3. General Telephone of Florida has implemented system-wide a "Station Protector Grounding Verification and Corrective Program" after a field trial. This program is designed to assure the reliability of protection systems at end user locations. Potential safety hazards were identified while randomly testing subscriber loops during our evaluation.

4. Southland Telephone Company updated its NXX numbers in its Davisville, Florida office. Evaluators found that subscribers served by seventeen central offices in area code 904 could not be dialed directly because their codes were not programmed in the Davisville/ Atmore switcher.

Staff's work on proposed rules for the regulation of underlying cellular radio telephone service providers was discontinued after the 1984 legislature deregulated cellular carriers effective October 1, 1984.

The commission resolved requests by United, Gentel, and Southern Bell to waive rules which requires that the provision and maintenance of new customer premises equipment be performed by a separate subsidiary. All companies except Central agreed to withdraw their requests for waiver and set up separate subsidiaries to perform their CPE activity. Central's petition for waiver was denied with Central being ordered to set up a separate subsidiary.

The commission had a total of 45 inter-exchange carriers certificated by the end of 1984. Fifteen of these were new certificates issued during 1984.

The commission approved competition for both local and long distance pay telephone calls, but said that Florida laws would have to be changed to allow the sale of local coin phone service by anyone other than the local phone company. The commission is seeking these statutory changes, and also set price and service standards for companies entering the coin phone market.

CONSUMER AFFAIRS DEPARTMENT

George Hanna, Director

The Consumer Affairs Department has the primary responsibility for consumer relations and communications. This involves investigating and resolving consumer complaints, issuing news releases concerning commission decisions and studies, preparing statistical summaries aon consumer complaint activity, developing educational presentations for consumer and civic organizations, preparing testimony for rate cases on complaint activity, and participating in or initiating other dockets on consumer matters.

* * *

During 1984, the Consumer Affairs Department handled a total of 47,891 inquiries and unlogged complaints, and 7,816 logged complaints were investigated by the department. These figures represent a 3,282 annual increase in inquiries since 1983, and a 1,335 decrease in logged complaints.

The department operates a toll-free WATS telephone line for citizens with problems involving regulated utilities.

The department keeps track of the dollar savings to individual consumers resulting from Consumer Affairs investigation of complaints. During 1984, customers saved $136,290 in refunds and credits as a result of complaint action taken by Consumer Affairs. The majority of the savings were for telephone customers, with $106,228 of the savings in this area, and $16,687 saved for electric customers.

During 1984, the department prepared testimony and exhibits for introduction into three rate cases concerning complaint activity against the utility in question. The testimony included a breakdown of the types of complaints, whether or not the customer was justified in contacting the commission, and comparative figures with other companies in the same industry.

Consumer Affairs actively participated in drafting new rules on disconnection of telephone service when there is prior indebtedness at the address. The new rules limit and clarify situations in which a utility may disconnect service because another customer benefits from telephone service.

The department continued to be active in trying to expand public awareness of commission activities. It continued preparing a daily tape of PSC news for use by radio stations, putting the second WATS line to use during non-business hours by providing a toll-free number for radio stations to call and get a taped news item. Over 2,290 calls were received for the taped items during the year.

More than 3,500 copies of press releases on commission activities were prepared and distributed during the year, and the department began preparation and distribution of a press-ready Consumer Update Column on PSC decisions and activities for weekly newspapers in the state. Publication of a monthly Consumer Bulletin giving details on commission actions was continued.

1984 Logged Complaints

Telephone	4,627
Gas	321
Electric	2,625
Water & Sewer	243
	7,816

ELECTRIC AND GAS DEPARTMENT

Joe Jenkins, Director

The Electric and Gas Department is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of the electric and gas industries. The department is responsible in informal proceedings for analysis of testimony and exhibits, developing cross-examination and direct testimony, and preparing recommendations concerning the disposition of electric and gas matters.

* * *

Three major electric utility rate cases were processed in 1984, one short of the unprecedented four cases processed in 1982. The three cases processed were those of Florida Power & Light Company, Florida Power Corporation, and Gulf Power Company. All three rate cases were based on a projected 1984 test year.

The Florida Power & Light Company rate case was the first case processed pursuant to the new step-increase legislation. Hearings were held in mid-1984 on both the 1984 test year and a 1985 test year called the step-increase year. Rates based on the 1984 test year were allowed to go into effect on July 20, 1984. Projections for the 1985 step-increase year were reviewed again in November 1984 and found to be reasonable except for projected 1985 sales. Rates based on the 1985 step increase year went into effect on January 31, 1985.

The Florida Power Corporation rate case resembled the step increase process in that, after the initial rate increase based on a 1984 test year, rates were increased a second time to reflect inclusion of a new coal fired electric generating unit, Crystal River No. 5, in the rate base.

In an effort to ensure that utilities operate efficiently and hold rate increases to a minimum, the commission, in all three rate cases, made extensive use of the operating and maintenance (O&M) threshold index. Utilities were required to justify why their O&M expenses increased faster than inflation and customer growth. Expenses in excess of O&M threshold index were allowed to be passed onto consumers only if fully justified by the utility. Increased expenses incurred in implementing the new Nuclear Regulatory Commission requirements resulting from Three Mile Island are an example of expenses exceeding the threshold index that were passed on to consumers. All three utilities tended to double-count their expenses by attempting to justify excesses that were already accounted for pursuant to customer growth or inflation.

Gas utility adherence to commission safety rules and meter testing became issues in most gas utility rate cases. Gas utilities found to be in violation of commission rules were penalized by either a fine or a lower allowed return on equity.

During 1984, the PSC reviewed a proposed method to determine whether a utility has or has not met its established conservation goals. Additionally, a reward/penalty incentive applicable to investor-owned utilities is being evaluated. The proposed incentive mechanism is still under consideration by the PSC.

The following table is a listing of utility expenditures for conservation and conservation cost recovery factors per KWH or natural gas therms.

Commission Regulated
Florida Electric and Gas Utilities
Conservation Cost Recovery for 1984

	Amount*	Average Recovery Factor Cents/KWH (or Therm)
Florida Power & Light Co.	$39,082,237	0.083/KWH
Florida Power Corp.	19,871,054	0.114/KWH
Tampa Electric Co.	13,907,251	0.119/KWH
Gulf Power Co.	3,136,723	0.062/KWH
Florida Public Utilities**	126,882	0.040/KWH
Peoples Gas System, Inc.	1,554,729	0.318/THERM
Central Florida Gas	165,731	0.352/THERM
Gainesville Gas Co.***	89,848	0.349/THERM

*January - September are actual amounts.
October - December are projected amounts.
**Marianna and Fernandina Beach combined.
*** Gainesville Gas entered program in April.

In 1982, the commission promulgated a rule to evaluate the cost effectiveness of electric utility conservation programs by defining measurement of costs and benefits. This rule is one of several instruments used to monitor utility conservation performance. It also guides the commission's decision to approve or disapprove conservation programs and associated expenditures.

The rule establishes a specific, uniform evaluation methodology to consider the present value of benefits, which are avoided capacity and fuel costs, less the present value of program costs. The prescribed reporting format provides information as to whether a program is or is not cost effective to participating ratepayers as a group, to all of the utility's ratepayers as a group, and to all Florida ratepayers.

During 1984, PSC staff developed computer software to use the cost effectiveness methodology on microcomputers. This software has greatly enhanced the PSC's analytical capability by allowing staff to test the sensitivity of a proposed conservation program to varying benefit and cost input assumptions. This will ensure that the program and cost recovery recommendations made to the PSC by its staff are based on increasingly sound economic and analytical work.

During 1984, the PSC revised and expanded the End Use Data Rule. The rule change, effective in January 1985, added three new reporting requirements to the previous rule.

The first major addition requires the twelve largest electric utilities in Florida to jointly conduct a statewide, biennial field survey of the residential customer class. The initial survey will be accomplished in 1986 and the resulting data filed with the PSC by April, 1987. Required biennial updates of the field survey will provide current, detailed information on appliance stocks and usage characteristics, housing characteristics and demographic profiles of Florida's electric consumers.

The new End Use Rule requires the four largest investor-owned electric utilities to modify residential load profiles developed pursuant to the Cost of Service Load Research Rule. The modifications will be done to

develop weather-normalized load profiles based on the number of residential customers of record during years that residential field surveys are conducted. These modified data will provide a powerful and accurate data set to monitor the impact of advancing technologies and changing programs on demand requirements faced by Florida's electric utility industry.

The PSC, with the cooperation of ten Florida electric utilities, analyzed two groups of residential customers to evaluate the kilowatt hour reductions attributable to residential energy audits. Samples of 958 customers living in single-family, detached houses who had not received an energy audit and 368 non-audited customers, in multi-family, attached houses were matched with similar groups of customers who had received either a Residential Conservation Service (Class A) audit or a walk-through audit. The two groups were matched so that their seasonal kilowatt hour consumption for the period November 1981 through October 1982 was approximately equivalent.

Analysis of billing data for the twelve months following the audit showed no statistically significant differences in KWH consumption between audited and non-audited customers living in attached houses. Customers whose average consumption was either less than 9,000 KWH or more than 18,000 KWH annually showed no statistically significant reductions after receiving an audit. A statistically, but not economically significant savings of 275 KWH annually was found for customers using between 9,000 and 18,000 KWH annually.

The energy efficiency of new buildings in Florida, whether residential, commercial or industrial, has a strong impact on future generating capacity needs of electric utilities and on the efficiency of the use of natural gas. The staff presented testimony in Department of Community Affairs hearings in 1983 which resulted in a two year phase-in of more stringent Code requirements for energy efficiency in new buildings. In residential buildings, the PSC-supported efficiency improvements will effect a 30% reduction in energy use in new homes, compared to 1983 usage. During 1984, the first phase of the new code levels took effect.

The PSC staff was asked to provide information and technical assistance to the Energy Subcommittee of the House of Representatives Natural Resources Committee during the 1984 Legislative session. The subcommittee supported legislation to require standards of efficiency for major energy using appliances sold in Florida. The legislation was not passed.

Following the 1984 session, the staff was asked to provide additional supporting information on appliance efficiency and the cost and availability of efficient appliances. A survey was conducted to provide the requested information prior to the 1985 session of the Legislature.

The PSC initiated proceedings in 1981 to establish annual hearings for the purpose of reviewing the generation and transmission expansion plans of the Florida electric utility industry and to determine what combination of power plants, transmission lines, and other measures are likely to most economically meet future electrical needs in the state. Load forecasts and the potential for cost effective conservation in excess of the FEECA goals are examined during the fall of each year at the Conservation Planning and Load Forecast demand side workshop. At the following summer supply side workshop, the general concensus was that capacity is needed in Florida by January, 1994 and that this capacity should be coal fired.

The Energy Broker and the Expanded Broker wholesale power systems continue to provide tremendous savings to Florida's ratepayers. Total annual savings from the two systems exceeded $69 million in 1983, a new record. Since inception of the Energy Broker in 1978 and Expanded Broker experimentation in 1982, fuel savings have been:

Year	Total
1978	$ 16,502,000
1979	$ 22,195,210
1980	$ 43,250,786
1981	$ 62,164,045
1982	$ 68,604,316
1983	$ 69,790,430
1984 through 10/31/84	$ 44,457,120
TOTAL	$326,963,904

Cogeneration, as used by both federal and state regulatory bodies, refers to the sequential use of energy wherein waste industrial process steam is used to generate electricity and small power production. This concept entails dispersed electrical generating units that are electrically interconnected to the statewide transmission grid and operate synchronously with electric utility generating units. The commission has pushed aggressively to identify potential cogenerators or their functional equivalent.

The commission, in Order No. 12634, dated October 27, 1983, revised its cogeneration rules and established a policy governing the payment of capacity credits to cogeneration and small power producers. Hearings implementing this policy were held in January, 1984, culminating in Order No. 13247, dated May 1, 1984, which established a specific schedule of capacity payments and further clarified the intent of the commission's cogeneration rules.

During 1984, new legislation proposed by the commission was passed. The legislation is intended to encourage the development and construction of power producing resource recovery facilities built by municipal and county governments. The legislation empowers the PSC to require electric utilities in Florida to provide up-front project funding for governmentally owned resource recovery facilities which use solid waste as the primary source of fuel for the production of electricity. The up-front funding provided by a utility would be in the form of early payments for capacity to be delivered to the utility upon the commercial in service of the resource recovery facility. The maximum amount of funding would be equal to the cost of the electric generation and transmission equipment associated with the facility. Also, such funding would be allowed only to the extent cost effective to the utility's ratepayers. The commission has issued proposed rules to implement this legislation.

OFFICE OF INFORMATION PROCESSING

Margaret Perry, Administrator

The Office of Information Processing is responsible for the coordination of the computer, word processing and data requirements of the commission. The office provides technical support to the commission in developing, selecting and maintaining computerized applications, software, microcomputer systems and word processing systems.

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In 1985 there was increased growth in the dynamic area of microcomputers as new options have become available on the marketplace which prove to be tremendous timesavers and productivity aids for the commission's professional staff. All but one of the commission's seven Xerox 16/8 microcomputers are now equipped with hard disk subsystems, which allow for larger files and faster processing rates, and the number of IBM PC/XT microcomputers has gone from two to nine, with one in almost every department. Each of these in turn is equipped with hardware aids such as increased memory (512K) and print spoolers, as well as having software packages available for spreadsheet generation, database management, and graphics capabilities. In addition to these units, each field office has been equipped with a COMPAQ portable micro for field audit use, with a goal of one micro per field audit position over the next three years.

New applications which have been implemented on the microcomputers include the Master Commission Directory in the Clerk's office, which allows one central location to maintain all address updates and to print mailing labels, and successful completion of the first fiscal year on the Management Information System. This application allows Department Directors to review past performance in relation to goals, and to set new goals in an informed manner, as well as to track on a monthly basis how goal achievement is progressing.

Office Automation at the commission was expanded by the addition of two more OIS-System 50's to the main WANG Office Information System. Each System 50 has at least two stations, bringing the totals to four OIS-50's, and 25 workstations. A WANG PC was installed in the commission library which serves as a workstation tied into the networked OIS System, as well as providing a host for two new Library applications, a Subscription Database, and a catalogue of current library volumes.

The large mainframe CDC 760 computer at Florida State University continues to be utilized for those applications too large or too complex for microcomputer implementation, or for those which require that a single database be available to all commission departments, such as the Event Tracking System. Of course there are still many other existing applications on the CDC which predate the microcomputers, but which it would not be cost-effective to convert.

The commission continues to utilize the IBM 3081 mainframe computer at the Northwest Regional Data Center of FSU to run the Audit Analyzer software. The preparation of a comprehensive Case Management System which will ultimately replace the Event Tracking System was begun in 1984, and should be completed and implemented in 1985.

RAIL TRANSPORTATION DEPARTMENT

Rob Vandiver, Director

The primary function of the Rail Transportation Department is to make recommendations to the commission on the regulation of rail carriers. The department analyzes each rail tariff filing for consistency, timely filing and reasonableness of rates and rules. Protests and complaints from the public are considered and recommendations are made to the commission. Other departmental functions include investigation of service complaints and of maintenance of rail properties and facilities.

* * *

To regulate intrastate rail rates, the commission must be certified by the Interstate Commerce Commission (ICC). In March of 1983, the ICC found that Florida had met most of the requirements for certification. Florida is currently provisionally entitled to regulate intrastate rail rates. The commission heard its first rail case in 1984 using federal standards and procedures. The case resulted in a 12 percent reduction in local rates on dry phosphate rock in Central Florida.

Commission authority to regulate rail rates is scheduled for sunset review during the 1985 legislative session. The commission voted to continue rail regulation and submitted legislation to the Legislature to continue regulation.

Railroad Filings for 1984

Tariff Filings	203
Contract Filings	78
Formal Complaints	1
Informal Complaints	11
Abandonments	0

RESEARCH DEPARTMENT

Mary Bane, Director

The Research Department is responsible for preparation of studies of policy alternatives, research to determine trends and conditions affecting public utility operations and regulations, studies on rate, elasticity, productivity, finance and demand projections. The department is also responsible for in-depth analysis of current and potential problems in utility regulation, for coordinating and directing the utilization of research methods and findings in commission cases, for presenting reports regarding the results of research studies, and for preparing economic impact statements on proposed rules.

* * *

In 1984 the Research Department continued to enhance its technical capabilities and level of support to the industry departments and the commission in general. As in 1983, the bulk of the department's workload was devoted to issues related to the divestiture of AT&T and telecommunications deregulation, especially on the subjects of bypassing the local networks, changes to cost of service methodologies, and the impact on local rates due to changes caused by the restructuring of the industry.

On bypass, the department in conjunction with the Communications and Accounting and Financial Analysis departments produced an important initial investigation on the impacts of customer bypass on the Florida telephone companies. The report identified the technological and economic characteristics of current bypass methods and estimated the present value of the various bypass systems. These costs were then compared to existing tariffs to estimate the revenue impacts on the Florida companies. Prepared at the request of the Federal Communications Commission, this report was distributed to over two hundred inter ested parties and resulted in the formation of an industry bypass study committee which will investigate questions raised in the report. Research staff has and will continue to participate in this study group to aid the commission in assessing the problems relating to bypass in Florida.

In other areas of telecommunications, Research continued to supply technical support by closely monitoring and participating in FCC subcommittee meetings on proposed changes to the FCC Uniform System of Accounts and the development of an automated reporting system to meet the changes in structure and direction that this new accounting system will take. The department took this information and provided the groundwork for using such a system to produce a viable cost of service study methodology. In developing the framework necessary to move from accounting cost to cost of service, Research provided a detailed description of the tasks necessary to achieve a workable cost methodology. Research was also responsible for developing a number of reports on the valuation of embedded customer premise equipment (CPE) and developing a framework for assessing the overall impact of various deregulation scenarios.

On the energy front, 1984 found the Research Department closing out and distributing the final reports produced under the Residential Conservation Demonstration Program. These reports, eight in all, demonstrated what can be done to make housing structures more energy efficient using

current off-the-shelf technologies. To date, over two hundred copies of these reports have been distributed nation- wide. Work also continued on the Simulation Study. This study was funded with Florida Energy Trust Fund monies and should be completed during 1985. The computer models and detailed customer market survey developed through this study will enhance the commission's ability to formulate future conservation efforts and policies.

In addition, the department lent technical support to the Electric and Gas Department in designing the proposed new conservation goals and began the preliminary work on designing a performance evaluation system to be used to rate electric utility performance.

Along with these special projects, the department continues to maintain the responsibility for preparing economic impact statements on all proposed commission rules. In 1984, approximately thirty economic impact statements were prepared and presented to the commission with another twenty awaiting future commission action.

The department's informational function also saw considerable enhancement with the introduction of an annual cost comparison report for the electrics and preparations for similar reports for the telecommunications and water and sewer industries. Along these same lines, the Research technical library was restructured to make it more accessible to commission staff.

A unique addition to the more traditional responsibilities of the department was its activities on a number of state and national task forces. These include a lead role in Governor Graham's Florida Telecommunications Tax Task Force, and the chairing or participation on committees and subcommittees for the National Regulatory Research Institute (NRRI) and National Association of Regulatory Utility Commissioners (NARUC).

WATER AND SEWER DEPARTMENT

Dale Knapp, Director

It is the responsibility of the water and sewer department to enforce the statutes and commission rules and regulations governing the operations of privately owned water and sewer utility systems in those counties subject to PSC jurisdiction. The department is primarily involved with certification of utilities and areas of service as well as regulation of rates and quality of service.

* * *

In August 1984, water and sewer companies in Desoto County were placed under PSC authority. The Santa Rosa County Commission voted to remove water and sewer regulation from PSC regulation in June 1984. The commission now regulates 30 counties with approximately 700 systems.

During 1984, the Water and Sewer Department and the commission sponsored a complete revision to the NARUC System of Accounts for water and sewer utilities. The NARUC executive committee approved this revision at the 1984 winter executive meeting.

The department sponsored legislative revisions to Chapter 367, the water and sewer law, to aid administration of certification matters, to provide for limited formal docketed proceedings and to provide for the power to impose penalties of not more than $5,000 which shall also be a lien upon the real and personal property of the water and sewer utility.

The department expanded use of micro-computers in order to increase the efficiency of staff products in docketed matters before the commission. Data base programs have been developed to better examine the levels of allowable operation and maintenance expenses and to provide a broad spectrum of comparative costs by classes of utilities for rate case exhibits.

1984 Water and Sewer Cases

Rate Cases Completed	18
Rate Cases in Progress	22
Staff Assisted Rate Cases Completed	21
Staff Assisted Rate Cases in Progress	20
Certification (all types) Completed	67
Certification (all types) in Progress	58
Indexes Completed	78
Indexes in Progress	10
Pass-throughs Completed	11
Pass-throughs in Progress	2

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LOCATION OF DISTRICT OFFICES

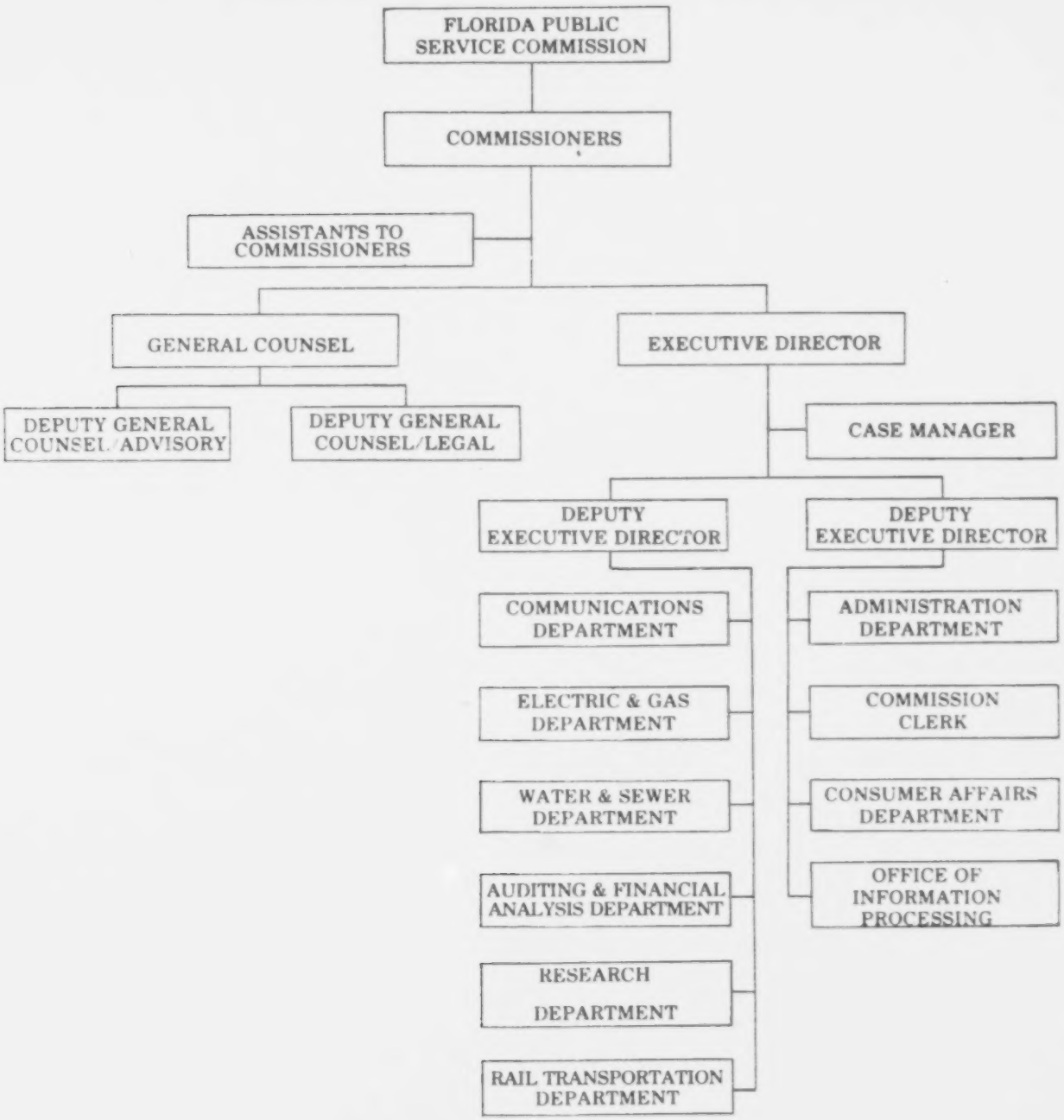
FT. LAUDERDALE — (305)467-4618
Robert H. Gore Building
Suite 307
201 W. Broward Blvd.
Ft. Lauderdale, Florida 33301

MIAMI — (305)592-0730
8400 NW 52nd Street
Suite 121
Miami, Florida 33166

ORLANDO — (305)423-6146
400 West Robinson Street
Suite 512
P. O. Box 1031
Orlando, Florida 32801

TAMPA — (813)272-3911
Park Trammell Building
Suite 901
1313 Tampa Street
Tampa, Florida 33602

Organizational Chart of the Commission



NARUC PARTICIPATION

The commission continued active participation in the National Association of Regulatory Utility Commissioners during 1984. The following commissioners and staff members were on NARUC committees.

COMMITTEES

Executive Committee
Joseph Cresse

Communications
Susan Leisner

Water
Gerald Gunter
John Marks

Electricity
Joseph Cresse

Energy Conservation
Katie Nichols

SUBCOMMITTEES

Accounts
Tim Devlin

Computers
Margaret Perry

Consumer Affairs
George Hanna

Economics
Mary Bane

Public Information
Margaret Ring

Manufacturing & Service Affiliates
Walter D'Haeseleer

Finance
Steve Clinger

Cost Allocations
Tim Devlin

Electricity
Joe Jenkins

Engineering
Walter D'Haeseleer

Gas
C. Edward Mills

Water
Jim Collier
Dale Knapp

Energy Conservation
Joseph McCormick

REGULATED UTILITIES
OPERATING STATISTICS 1984 *

	GROSS PLANT IN SERVICE	OPERATING REVENUE	OPERATING REVENUE DEDUCTION	NET OPERATING INCOME	END OF PERIOD NUMBER OF CUSTOMERS
ELECTRIC:					
Florida Power Corportion	$3,363,608,354	$1,292,002,651	$1,079,498,070	$212,504,581	928,676
Florida Power & Light	8,165,496,255	3,939,928,747	3,347,185,659	592,743,088	2,578,455
Florida Public Utilities	20,313,601	26,976,224	25,519,337	1,456,887	17,356
Gulf Power Corporation	961,307,554	470,099,974	394,154,547	75,945,426	245,317
Reedy Creek Utilities	42,291,353	24,706,531	0	1,932,859	523
Tampa Electric Company	1,802,260,995	693,526,493	582,005,983	111,520,510	383,083
Total Electric	$14,355,278,112	$6,447,240,620	$5,428,363,596	$996,103,351	4,153,410
GAS:					
City Gas	$58,402,004	$39,558,976	$36,387,179	$3,171,797	82,378
Florida Public Utilities	21,292,827	27,379,678	26,247,159	$1,132,519	33,728
Peoples Gas	157,973,343	211,625,918	199,460,299	$12,165,619	168,343
All Other Gas (11) **	35,712,413	58,148,526	50,903,599	7,244,927	63,000
Total Gas	$273,380,587	$336,713,098	$312,998,236	$23,714,862	347,449
TELEPHONE:					
ALLTEL	$111,020,490	$28,761,935	$20,746,740	$8,015,195	41,199
Central Telephone	318,848,000	121,794,000	91,132,000	$30,662,000	141,190
General Telephone	2,499,618,179	1,006,366,835	807,921,518	$198,445,317	1,246,602
Southern Bell	6,064,958,547	2,403,160,723	1,916,038,572	$487,122,151	2,893,031
United Telephone	1,367,435,987	526,030,953	410,509,843	$115,521,110	702,690
All Other Telephone Companies (8) *	153,146,	49,561,806	42,148,235	$7,413,571	64,000
Total Telephone	$10,515,027,310	$4,135,676,252	$3,288,496,908	$847,179,344	5,088,712

* All Data Unaudited
** Preliminary Estimates

REGULATORY TRUST FUND
APPROPRIATIONS 1978-85

FISCAL YEAR	APPROPRIATION	
	POSITIONS	AMOUNT
1978-79	403	$ 8,249,238
1979-80	434	9,699,416
1980-81	361	10,249,676*
1981-82	322	12,124,437**
1982-83	332	11,287,379
1983-84	336	13,700,825
1984-85	346	13,788,347

NOTE: The amounts reflect the Commission's actual appropriation except for the two years explained by footnotes.

* Reflects transfers of transportation positions and budget to the Department of Transportation.

** Reflects reduction of positions and budget resulting from Sunset review by the Legislature.

REGULATORY TRUST FUND REVENUES
FISCAL YEAR ENDED JUNE 30, 1984

Recording Fees	$ 127,914.68
Utilities Filing Fees	106,725.00
Utilities Regulatory Tax	10,081,689.32
Miscellaneous Revenue	39,270.93
Refunds and Cancellations	35,169.57
Interest Income	934,629.90
TOTAL	$11,325,399.40

ADMINISTRATION DEPARTMENT

Fiscal Section

The following workload statistics indicate activity in the major functions of the Fiscal Section:

	1981	1982	1983	1984
Invoices Processed	2,211	2,786	3,118	2,863
Travel Vouchers	3,935	3,898	3,660	3,637
Payroll Change Orders:				
Regular Employees	2,330	1,818	1,764	1,546
OPS	157	116	107	165
Professional & Technical Service Consultant Contracts	46	57	36	19

General Support Services Section

Purchase Orders Issued	1,368
Special Orders Processed	1,135
Supply Orders Processed	429
Photocopy Requisitions Processed	3,259
Photocopies Produced (Print Shop)	3,846,527
Pieces of Outgoing Regular Mail Processed	169,720
Pieces of Special Service Mail Processed	833
Postage Used (Meter)	$54,837
Supply Requisitions Filled	384

Personnel Office

Listed below is a summary of personnel action during 1983 and 1984:

	1983	1984
New Employees	38	65
Terminations	31	49
Retirements	2	3
Promotions	51	77
Pay Adjustments	315	183
Reassignments	27	11
Others*	172	283
TOTAL	636	671
Classification Actions	54	80
Up-to-Date Position Descriptions	11	287
TOTAL	65	367

*Includes demotions, status changes, leave without pay, et cetera.

CASES DOCKETED IN 1984

EG - Energy Conservation	28
EI - Investor-Owned Electric Utility	30
EM - Municipally-Operated Electric Utility	5
EU - Combination Electric Utility	15
GU - Gas Utility	15
PU - Combination of Utilities	8
RR - Railroad	5
SU - Sewer Utility	50
WU - Water Utility	72
WS - Combination Water/Sewer Utility	125
TI - Interexchange Telephone Company	30
TL - Local Exchange Telephone Company	87
TP - Combination of Telephone Companies	5
OT - Other	3
TOTAL	478

CASES APPEALED TO COURTS IN 1984

Electric	3
Telephone	6
Water and Sewer	2
Other	1
	16

ORDERS AND NOTICES ISSUED IN 1984

Orders	1179
Notices	164

Case Activity Statistics -- January 1984 - December 1984

END OF --- >	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sep. 1984	Oct. 1984	Nov. 1984	Dec. 1984
All Cases Beg. Pd.	482	413	404	392	387	406	391	383	372	373	380	383
New Cases	42	36	42	44	63	45	38	30	46	35	30	27
Restored Cases	2	2	1	0	1	0	0	0	1	2	0	1
Closed Cases (subtract)	113	47	55	49	45	60	46	41	46	30	27	34
All Cases End Pd.	413	404	392	387	406	391	383	372	373	380	383	377
Active	324	314	304	309	329	327	320	307	309	319	305	303
Monitor	42	42	37	34	34	25	28	28	29	29	45	42
Litigation	33	32	33	25	25	25	24	24	24	23	22	23
Conservation	14	16	18	19	18	14	11	13	11	9	11	9
Total All	413	404	392	387	406	391	383	372	373	380	383	377
Ages of Cases												
< 6 months	184	182	180	183	198	190	178	168	169	168	167	154
> 6 months & < 1 year	89	83	72	68	73	66	72	68	66	71	66	68
> 1 year & < 2 years	76	75	79	72	72	77	74	76	77	77	81	86
> 2 years & < 3 years	35	36	33	36	37	31	29	29	30	33	35	34
> 3 years & < 4 years	9	9	10	11	10	11	13	14	13	14	18	20
> 4 years & < 5 years	9	10	6	4	3	4	5	4	5	5	5	6
> 5 years & < 6 years	6	6	8	9	9	8	8	9	8	8	7	3
> 6 years & < 7 years	3	2	3	4	3	3	3	1	2	1	1	3
> 7 years & < 8 years	1	1	1	1	1	1	1	3	2	2	2	2
> 8 years	1	0	0	0	0	0	0	0	1	1	1	1
	413	404	392	387	406	391	383	372	373	380	383	377
Cases > 2 Years Old												
Active	33	32	29	31	32	31	33	34	35	37	29	30
Monitor	17	17	18	19	18	13	13	13	12	13	25	23
Litigation	14	15	14	14	13	14	13	13	14	14	14	14
Conservation	0	0	0	0	0	0	0	0	0	0	1	2
Total	64	64	61	64	63	58	59	60	61	64	69	69

On 7/23/83 a goal was established to reduce, by 6/30/85, the number of Active cases over 2 years old to 7.5% of Total Active cases; for December 1984 this ratio is $30 \div 303 = 9.9\%$.

CASE ACTIVITY 1976 - 1984

	Cases Docketed Calendar Year	Cases Pending January	Cases Active During Year	Cases Pending December	Number Closed	Orders Issued
1976	882	474	1,356	656	700	1,214
1977	1,001	656	1,657	744	913	1,365
1978	1,032	744	1,776	828	948	1,359
1979	1,067	828	1,895	731	1,233	1,822
1980	779	731	1,559	384	1,175	1,186
1981	485	416	918	416	502	791
1982	555	442	990	505	485	982
1983	601	505	1,130	482	648	1,318
1984	488	482	970	377	593	1,179

Number of orders issued furnished by the Commission Clerk.

1984 COMPLAINT ACTIVITY

ELECTRIC INDUSTRY

	Complaints Logged						Justification				
	Service	Billing or Rates	Other	1984 Total	% Change from Previous Year	Complaints per 1000 Customers	Yes	No	Some	Justified Complaints per 1000 Customers	Total Closed
FLA POWER CORP	100	116	58	274	(18%)	.345	53	168	48	.047	269
F P & L	514	1188	343	2045	7%	.920	371	1274	337	.167	1982
FLA PUB UTIL		3	2	5	25%	.351	1	3	1	.070	5
GULF POWER	29	38	8	75	(15%)	.371	15	44	14	.074	73
TAMPA ELECTRIC	64	139	23	226	(6%)	.701	39	153	32	.121	224
INDUSTRY TOTAL	707	1484	434	2625	3%		479	1642	432		2553
PERCENTAGES	27%	57%	16%				19%	64%	17%		

() Notes decrease

1984 COMPLAINT ACTIVITY

GAS INDUSTRY

	Complaints Logged						Justification				
	Service	Billing or Rates	Other	1984 Total	% Change from Previous Year	Complaints per 1000 Customers	Yes	No	Some	Justified Complaints per 1000 Customers	Total Closed
CENTRAL		1		1	None	.251			1	0	1
CITY	21	54	17	92	(16%)	1.194	30	54	22	.389	106
FLA PUB UTIL	10	5	3	18	260%	.595	5	8	2	.165	15
GAINESVILLE	1	2	1	4	None	.267	3	1		.200	4
GULF		5		5	(67%)	.329	3	1	1	.197	5
MILLER		6		6	None	1.232		3	2	0	5
PEOPLES	44	126	20	190	(26%)	1.239	51	103	32	.332	186
SUNCOAST				0	None					0	-
ST. JOSEPH				0	(100%)					0	-
SOUTHERN	1	2	1	4	(60%)	.813		4	1	0	5
SOUTH FLORIDA				0	None					0	-
TIMBERLAND	1			1	(67%)	n/a			1	0	1
INDUSTRY TOTAL	78	201	42	321	(22%)		92	174	62		328
PERCENTAGES	24%	63%	13%				28%	53%	19%		

() Notes decrease

1984 COMPLAINT ACTIVITY

TELEPHONE INDUSTRY

	Complaints Logged						Justification				
	Service	Billing or Rates	Other	1984 Total	% Change from Previous Year	Complaints per 1000 Customers	Yes	No	Some	Justified Complaints per 1000 Customers	Total Closed
AT&T	136	87	13	236	n/a	n/a	103	61	22	n/a	186
CENTRAL	82	44	19	145	(51%)	.919	71	45	29	.450	145
CONTINENTAL	18	7	5	30	(27%)	1.376	6	12	8	.275	26
FLORALA	3			3	67%	2.114	1		2	.704	3
GENERAL	713	129	99	941	(18%)	.762	538	219	157	.435	914
GULF	2			2	None	.328	1	1		.164	2
INDIANTOWN				0	(100%)	0				0	0
N. E. FLORIDA	2	3	2	7	17%	1.702	4	1	1	.972	6
ALLTEL FLORIDA	46	27	9	82	58%	2.125	24	35	20	.621	79
QUINCY	3	3		6	200%	.823	3	2		.411	5
RESELLERS	23	92	14	129	187%	n/a	75	18	28	n/a	121
ST. JOSEPH	18	9		27	(7%)	1.587	9	14	4	.529	27
SOUTHERN BELL	1550	730	351	2631	(32%)	.838	959	1103	657	.305	2719
SOUTHLAND	1		1	2	(33%)	.861	1	1		.430	2
UNITED	262	86	38	386	(23%)	.595	181	92	107	.279	380
INDUSTRY TOTAL	2859	1217	551	4627	(23%)		1976	1604	1035		4615
PERCENTAGES	62%	26%	12%				43%	35%	22%		

() Notes decrease

1984
Telephone Company Summary

Company	Number of Florida Exchanges	Florida Access Lines	Percent of State Total	Access Line Percent Growth from previous year
ALLTEL	27	41,199	.7	6.8
Central	20	164,427	3.0	4.3
Continental	15	22,538	.4	3.4
Florala	2	1,467	**	3.4
General	24	1,301,576	23.4	5.5
Gulf	2	6,149	.1	1.0
Indiantown	1	1,640	**	(3.0)
Northeast Florida	2	4,322	**	5.1
Quincy	3	7,427	1	1.9
St. Joseph	14	17,577	.3	3.4
South Georgia	1	57	**	(13.6)
Southern Bell	102*	3,280,013	59.0	4.6
Southland	3	2,459	**	6.0
United	68	702,690	12.7	8.5
Vista-United	1	2,056	**	1.0
Totals	285	5,555,597	***	5.2

* Number includes South Central Bell's Century
** Less than .1%
*** Does not equal 100% due to rounding

Percent Call Completion Summary by Terminating Company

Company	1978		1979		1980		1981		1982		1983		1984	
	Calls	%	Calls	%	Calls	%	Calls	%	Calls	%	Calls	%	Calls	%
Central - CTC	3103	94.3	8380	96.1	2377	94.8	7959	95.0	1698	96.6	914	96.2	1857	97.3
Continental - CTS	1307	96.3	2822	96.7	1140	96.0	2637	97.1	1389	97.0	289	96.5	791	97.2
Florala - FAT	205	94.6	444	97.5	124	92.7	312	96.8	85	94.1	39	100.0	97	99.0
Florida - FTC*	4144	96.7	6352	96.3	3181	96.0	6576	96.5	1984	95.2	-	-	-	-
General - GTE	10593	97.4	14267	96.6	8950	96.6	31540	97.3	9194	97.6	3018	97.0	10065	97.9
Gulf - GUT	263	98.9	456	98.2	192	94.8	402	96.3	80	96.2	43	93.0	98	96.1
Indiantown - INT	146	100.0	170	97.1	63	92.1	167	95.8	41	82.9	20	100.0	51	98.1
Northeast - NEF	151	99.3	292	97.6	142	96.5	195	93.8	51	90.2	38	97.4	97	95.1
North Florida - NFT	4079	97.2	4679	96.4	1887	96.2	5292	97.1	3577	97.3	491	96.3	1856	97.7
Orange City - OCT*	374	94.9	783	95.7	246	95.5	707	95.5	125	97.6	-	-	-	-
Quincy - QUT	563	97.2	1290	95.6	429	93.5	876	94.1	155	90.3	74	97.3	193	95.11
St. Joseph - SJT	1276	94.5	2735	95.7	809	94.7	2750	96.4	646	95.8	91	95.6	782	96.1
Southern Bell - SBT	14513	95.9	60596	96.5	7794	92.3	57792	97.1	14317	96.8	1127	97.0	22250	97.4
South Georgia - SGT	299	97.0	673	96.7	242	97.5	272	96.0	64	93.8	6	100.0	51	100.0
Southland - SOT	393	95.2	823	95.0	376	96.3	622	95.7	122	93.4	53	98.1	111	94.9
United - UTS*	4021	96.1	6810	96.1	3196	94.9	7677	96.4	2507	95.9	2549	95.9	5909	97.8
Vista-United - VFT	298	96.0	644	96.3	222	95.5	416	97.8	94	95.7	61	96.7	151	96.8
West Florida - WFT**	413	97.1	805	96.8	317	95.9	610	96.1	79	96.2	-	-	-	-
Winter Park - WPT*	1203	96.2	2461	97.7	758	95.1	3025	95.8	740	92.8	-	-	-	-
Totals	47344	96.4	115482	96.4	32445	95.0	129827	96.8	36949	96.7	18813	97.1	44359	97.5

* Consolidated as United Telephone (UTS) in 1983.

** Consolidated as Continental Telephone (CTS) in 1983.

RETURN ON AVERAGE BOOK EQUITY

SOUTHERN BELL

YEAR	RETURN	MBR
1960	8.5%	---
1961	8.6	---
1962	8.9	---
1963	8.9	---
1964	9.0	---
1965	9.1	---
1966	9.6	---
1967	9.2	1.43X
1968	8.1	1.30
1969	8.9	1.27
1970	7.8	1.08
1971	8.5	1.05
1972	9.1	1.02
1973	9.6	1.04
1974	8.5	.92
1975	9.2	.93
1976	10.2	1.07
1977	11.2	1.10
1978	12.1	1.03
1979	12.6	.94
1980	14.5	.78
1981	12.4	.82
1982	13.2	.83
1983e	13.3	.96
1984		1.05

Source: Moody's Public Utility Manuals
Value Line Investment Survey
MBR - AT&T through 1983
Bell South through 1984

RETURN ON AVERAGE BOOK EQUITY

GENERAL TELEPHONE COMPANY OF FLORIDA

YEAR	RETURN	GTE MBR
1960	7.7%	---
1961	5.6	---
1962	6.4	---
1963	7.6	---
1964	11.7	---
1965	8.9	---
1966	10.6	---
1967	9.7	3.65X
1968	9.4	2.95
1969	10.7	2.15
1970	10.8	1.50
1971	11.9	1.65
1972	10.6	1.44
1973	12.0	1.28
1974	7.2	.98
1975	6.8	.97
1976	9.4	1.19
1977	12.1	1.23
1978	12.4	1.12
1979	13.0	1.01
1980	13.9	.90
1981	16.8	1.00
1982	17.7	1.23
1983e	13.5	1.33
1984	N/A	1.22

Source: Moody's Public Utility Manuals
Value Line Investment Survey

EAS ROUTES IMPLEMENTED IN 1984

Route	Docket No.	Date of Implementation
Bronson-Gainesville	810065-TP	05/01/84
Cantonment-Molino	790177-TP	08/16/84
Pensacola-Molino	790177-TP	08/26/84
Lake City-Ft. White	790174-TP	11/17/84
Yankeetown-Crystal River	810246-TP	12/02/84
Alford-Marianna	780121-TP	12/03/84

STATUS OF EAS STUDIES AS OF 01/01/85

Docket	Route	Hearing	Survey
810016-TP	Wakulla County to Tallahassee	Yes	Deferred
810112-TP	Havana to Tallahassee	Yes	Deferred
810193-TP	Ft. Meade to Bartow	Yes	Yes (failed)
810437-TP	Callahan to Jacksonville	Yes	Deferred
810440-TP	Santa Rosa Beach to Destin and Ft. Walton Beach	Yes	EAS ordered on monitor status
820429-TP	New Smyrna Beach to Daytona Beach	Yes	Deferred
820467-TP	Williston to Gainesville	No	Traffic Studies Ordered
820542-TP	Williston to Ocala	No	Traffic Studies Ordered
830064-TP	McIntosh to Gainesville	No	Traffic Studies Ordered
830365-TP	Bay County EAS	No	Traffic Studies Ordered
840185-TP	Milton to Pensacola	Yes	Ballots due 01/27/85
830423-TP	Hudson to Tarpon Springs	No	Study underway for options

INVESTOR-OWNED
ELECTRIC UTILITIES
GROWTH AND USE STATISTICS
DECEMBER 31, 1984

UTILITY	Average Residential Consumption for 1984	Percent Gain in Average Residential Consumption	Residential Customers as of Dec.31,1984	Percent Gain in Residential Customers	Residential Revenues for 1984	Average Residential Revenue Per KWH Sold	Total Retail Operating Revenue	Percent Increase In Total Retail Operating Revenue
FLORIDA POWER CORPORATION	10,638	2.41%	829,461	4.62%	$657,419,344	$.0769	$1,174,249,332	4.61%
FLORIDA POWER & LIGHT COMPANY	10,520	(2.09%)	2,298,317	3.48%	$2,033,287,942	$.0860	$3,754,331,069	22.89%
FLORIDA PUBLIC UTILITIES								
Fernandina Beach Division	11,522	2.93%	6,970	5.72%	$6,437,768	$.0820	$13,729,386	19.88%
Marianna Division	9,946	1.11%	7,884	3.52%	$5,547,983	$.0719	$13,121,205	8.31%
GULF POWER COMPANY	12,057	(1.60%)	217,138	7.65%	$12,908,674	$.0681	$470,099,974	31.18%
TAMPA ELECTRIC COMPANY	12,198	.62%	338,104	4.94%	$302,313,597	$.0755	$690,432,940	12.41%
REEDY CREEK UTILITIES CO.,INC.	28,073	2.11%	221	0	$376,802	$.0607	$24,705,714	(2.14%)

NOTE: ABOVE REVENUES DO NOT INCLUDE FUEL. PARENTHESES DENOTE NEGATIVE AMOUNT.

1974-1984
FLORIDA ANNUAL AVERAGE KWH PER CUSTOMER
RESIDENTIAL ELECTRIC SERVICE - ALL SCHEDULES

YEAR	FP&L	FPC	TECO	GULF	FPU-M[1]	FPU-F[2]	RCU[3]
1974	11,215	9,758	12,118	12,212	9,340	9,276	16,363
Change 74-73	(7%)	(15%)	(6%)	(3%)	1%	(3%)	(4%)
1975	11,127	9,701	12,150	12,187	9,575	9,785	20,177
Change 75-74	(1%)	(1%)	0%	0%	3%	5%	23%
1976	10,968	9,932	11,952	12,913	9,952	10,206	20,939
Change 76-75	(1%)	2%	(2%)	6%	4%	4%	4%
1977	11,370	10,604	12,590	13,220	10,568	10,950	23,635
Change 77-76	4%	7%	5%	2%	6%	7%	13%
1978	11,790	10,895	12,792	13,341	10,757	11,396	24,239
Change 78-77	4%	3%	2%	1%	2%	4%	3%
1979	11,354	10,496	12,271	12,868	10,217	11,199	27,056
Change 79-78	(4%)	(4%)	(4%)	(4%)	(5%)	(2%)	17%
1980	11,473	10,643	12,384	12,959	10,720	11,189	28,306
Change 80-79	1%	1%	.4%	.7%	5%	(.09%)	5%
1981	11,216	10,758	12,708	12,591	10,365	11,424	29,291
Change 81-80	(2.2%)	(1.1%)	2.6%	(2.8%)	(3.3%)	2.1%	3.5%
1982	10,757	9,964	11,646	12,169	9,719	10,696	27,618
Change 82-81	(4.1%)	(7.4%)	(8.6%)	(3.4%)	(6.2%)	6.4%	(5.7%)
1983	10,745	10,388	12,123	12,253	9,837	11,194	17,493
Change 83-82	0%	4.3%	4.1%	.7%	1.2%	4.7%	(36.7%)
1984	10,520	10,637	12,198	12,057	9,946	11,522	27,240
Change 84-83	(2.1%)	2.4%	0.6%	(1.6%)	1.1%	2.9%	55.7%
Change 84-74	(6.2%)	9.0%	0.7%	(1.3%)	5.5%	24.2%	66.4%

[1]Florida Public Utilities Company - Marianna Division

[2]Florida Public Utilities Company - Fernandina Division

[3]Reed Creek Utilities

CUSTOMER USE AND REVENUE DATA
RESIDENTIAL - 1983

REGION	AVERAGE ANNUAL USE (KWH)	AVERAGE ANNUAL BILL ($)	AVERAGE REVENUE/KWH (¢)
New England			
Total Electric Industry	6,540	557.78	8.53
Investor-owned	6,519	559.51	8.58
Middle Atlantic			
Total Electric Industry	6,410	584.55	9.12
Investor-owned	6,348	587.31	9.25
East North Central			
Total Electric Industry	7,941	573.44	7.22
Investor-owned	7,753	569.52	7.34
West North Central			
Total Electric Industry	9,264	588.73	6.36
Investor-owned	8,665	562.21	6.49
South Atlantic			
Total Electric Industry	10,605	703.22	6.63
Investor-owned	10,642	707.53	6.65
East South Central			
Total Electric Industry	12,013	660.65	5.50
Investor-owned	10,561	653.72	6.19
West South Central			
Total Electric Industry	10,924	754.29	6.90
Investor-owned	11,330	775.98	6.85
Mountain			
Total Electric Industry	8,913	538.40	6.04
Investor-owned	8,447	522.58	6.19
Pacific			
Total Electric Industry	7,879	428.84	5.44
Investor-owned	7,390	445.31	6.03
Alaska and Hawaii			
Total Electric Industry	7,810	766.46	9.81
Investor-owned	6,727	751.99	11.18
Total United States			
Total Electric Industry	8,827	602.65	6.83
Investor-owned	8,383	601.14	7.17
Florida			
Total Electric Industry	10,721	738.53	6.89
Investor-owned	10,885	789.17	7.25

Source: Edison Electric Institute, Statistical Year Book.

INVESTOR-OWNED UTILITIES
TYPICAL ELECTRIC BILL COMPARISONS *
RESIDENTIAL SERVICE
DECEMBER 31, 1984

UTILITY	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
FLORIDA POWER & LIGHT COMPANY	$5.65	$12.89	$23.74	$41.84	$59.93	$80.52	$121.71
FLORIDA POWER CORPORATION	$6.10	$13.16	$23.74	$41.38	$59.01	$76.65	$111.93
TAMPA ELECTRIC COMPANY	$6.50	$13.43	$23.83	$41.15	$58.48	$75.80	$110.45
GULF POWER COMPANY **	$6.25	$12.48	$21.82	$37.39	$52.96	$68.53	$99.67
FLORIDA PUBLIC UTILITIES COMPANY							
Marianna Division	$5.00	$11.49	$21.22	$37.44	$53.65	$69.87	$102.31
Fernandina Beach Division	$2.50	$10.63	$22.83	$43.16	$63.48	$83.81	$124.47
REEDY CREEK UTILITIES CO., INC.	$2.85	$9.25	$18.84	$34.83	$50.81	$66.80	$98.78

*Excluding Local Taxes / DECEMBER 1984 FUELFUEL COSTS ARE INCLUDED
**Summer/Winter Rates in effect - Winter Rates are shown

NATIONWIDE ELECTRIC RATES

CITY/UTILITY	PRICE - 1000 KWH*
New York, NY - Consolidated Edison Co. #	$136.05
San Diego, CA - San Diego Gas & Electric Co. #	129.87
KEY WEST, FL - City of Key West Board +	105.66
Philadelphia, PA - Philadelphia Electric Co. #	103.56
SEBRING, FL - Sebring Utilities Commission +	102.15
Boston, MA - Boston Edison Co. #	101.86
Southeastern Michigan - Detroit Edison Co. #	97.77
Delaware - Delmarva Power & Light #	95.04
San Francisco, CA - Pacific Gas & Electric #	92.32
Atlantic City, NJ - Atlantic City Electric Co. #	89.66
MIAMI, FL - Florida Power & Light Company #	85.70
Northeast Ohio - Cleveland Electric Illum. Co. #	84.43
OCALA, FL - City of Ocala +	82.78
Southern California - Southern California Edison #	81.82
BARTOW, FL - City of Bartow +	79.30
TAMPA, FL - Tampa Electric Company #	79.23
ST. PETERSBURG, FL - Florida Power Corporation #	78.87
VERO BEACH, FL - City of Vero Beach +	77.67
Phoenix, AZ - Arizona Public Service Co. #	76.06
JACKSONVILLE, FL - Jacksonville Electric Authority +	75.10
Houston, TX - Houston Lighting & Power Company #	74.74
LAKELAND, FL - City of Lakeland +	73.10
Los Angeles, CA - Dept. of Water & Power +	73.01
TALLAHASSEE, FL - City of Tallahassee +	72.32
PENSACOLA, FL - Gulf Power Company #	71.31
GAINESVILLE, FL - Gainesville Regional Utilities +	68.51
ORLANDO, FL - Orlando Utilities Commission +	68.43
Richmond, VA - Virginia Electric Power Company #	68.29
Charlotte, NC - Duke Power Company #	68.08
Baltimore, MD - Baltimore Gas & Electric Co. #	67.14
Chicago & Northern Ill. - Commonwealth Edison Co. #	67.05
Dallas, TX - Dallas Power & Light Company #	63.66
Mississippi, Mississippi Power Company #	60.94
Atlanta, GA - Georgia Power Company #	58.96
Memphis, TN - Memphis Light, Gas & Water +	47.86
Albany, GA - Water, Gas & Light Commission +	47.57
Sacramento, CA - Sacramento Municipal Util. Dist. +	41.75
Seattle, WA - Seattle City Light +	33.62

\+ City Utility
\# Investor-Owned Utility

* Residential rate including fuel adjustment and franchise fee, if applicable, for January, 1985.

Source: Jacksonville Electric Authority Survey

FUEL COST PER UNIT AS PURCHASED*

	Heavy Oil		Light Oil		Coal		Natrual Gas	
	$/Bbl	¢/Kwh	$/Bbl	¢/Kwh	$/Ton	¢/Kwh	$/McF	¢/Kwh
1974	11.10	1.79	12.27	3.59	16.70	0.73	0.60	0.66
1975	11.58	1.87	12.76	3.74	23.39	1.02	0.74	0.81
1976	11.34	1.83	13.63	3.99	25.52	1.12	0.85	0.94
1977	13.27	2.14	15.00	4.40	29.38	1.29	0.88	0.97
1978	12.30	1.98	15.49	4.54	34.63	1.52	1.04	1.14
1979	18.23	2.94	29.40	8.62	38.43	1.68	1.20	1.32
1980	23.36	3.77	33.23	9.74	42.61	1.86	1.31	1.44
1981	28.32	4.57	46.67	13.68	53.23	2.33	2.15	2.37
1982	27.73	4.47	51.27	15.03	56.69	2.48	2.21	2.43
1983	27.52	4.44	35.34	10.36	57.84	2.53	2.91	3.20
1984	29.39	4.74	34.68	10.16	57.16	2.50	3.36	3.70

*FP&L, FPC, GULF and TECO

Sources: 1974-1980 FPC Form 423 as compiled by the Department of Energy in the Cost and Quality Annuals.

1981-1984 Monthly Fuel Adjustment Filings, Schedule A-6

RESIDENTIAL ELECTRIC RATE CHANGES

1984

Fuel Cost in ¢/kwh

Bill in $ for 1000 kwh

No Changes For Months Not Listed

	January		April		June		July		October		November		December	
	Fuel	Bill	Fuel	Bill	Fuel	Bill	Fuel	Bill	Fuel	Bill	Fuel	Bill	Fuel	Bill
FP&L	2.728	73.48	3.511	80.94	3.848	84.31	3.848	86.65	2.933	80.52	No Change		No Change	
FPC	2.856	73.40	3.121	75.96	No Change		No Change		2.916	75.25	2.335	76.65	No Change	
TECO	2.562	73.31	2.671	76.71	No Change		No Change		2.584	75.80	No Change		No Change	
GULF	2.830	65.15	2.835	65.34	2.835	71.07	No Change		3.030	67.13	No Change		3.030	68.53

ENERGY AUDIT GOALS AND PERFORMANCE FOR 1984

Utility	Audit Goals	Actual Audit	Percent Achieved
Florida Power & Light	108,266	126,775	117%
Florida Power Corp.	39,743	46,221	116%
Tampa Electric	19,433	20,079	103%
Gulf Power	14,080	16,324	116%
Gainesville	2,147	2,454	114%
Jacksonville	13,189	3,624	27%
Lakeland	3,686	1,730	47%
Ocala	1,408	923	66%
Tallahassee	2,810	1,776	63%
Clay Coop.	3,536	1,843	52%
Lee Coop.	3,280	1,103	34%
Withlachoochee River Coop.	2,286	196	9%
Orlando	5,181	4,727	91%

COMMISSION REGULATED FLORIDA ELECTRIC AND GAS UTILITIES CONSERVATION COST RECOVERY

	Oct. 83 - March 84	April 84 - Sept. 84	Oct. 84 - Dec. 84
Tampa Electric	0.098¢/kwh	0.110¢/kwh	0.158¢/kwh
Florida Power Corp.	0.110¢/kwh	0.106¢/kwh	0.137¢/kwh
Florida Power & Light	0.061¢/kwh	0.086¢/kwh	0.088¢/kwh
Gulf Power	0.060¢/kwh	0.068¢/kwh	0.052¢/kwh
Florida Public Utilities			
Fernandina Beach	0.056¢/kwh	0.039¢/kwh	0.039¢/kwh
Marianna	0.043¢/kwh	0.035¢/kwh	0.035¢/kwh
Central Florida Gas	0.087/Therm	0.372¢/Therm	0.578¢/Therm
Peoples Gas System	0.329¢/Therm	0.296¢/Therm	0.351¢/Therm

RETURN ON AVERAGE BOOK EQUITY, MARKET TO BOOK RATIO (MBR)
AND AUTHORIZED RETURN ON EQUITY

	FPC			FP&L			TECO				GULF		
YEAR	EARNED	AUTHORIZED(3)	(MBR)	EARNED	AUTHORIZED(3)	(MBR)	UTILITY ONLY	EARNED(1)	AUTHORIZED(3)	(MBR)	EARNED	AUTHORIZED(3)	(MBR)(2)
1960	11.8%		(3.06X)	13.4%		(3.80X)		13.3%		(3.52)	14.0%		
1961	11.9		(3.72)	12.4		(4.28)		12.1		(4.41)	13.2		
1962	13.1		(3.10)	12.8		(3.61)		14.1		(3.83)	13.9		
1963	11.9		(3.25)	13.2		(3.73)		10.1		(3.00)	14.1		
1964	12.1		(3.26)	13.7		(3.78)		14.9		(4.55)	14.9		
1965	12.3		(3.17)	13.0		(3.44)		16.3		(4.41)	13.7		
1966	13.1		(2.82)	13.5		(2.92)		17.7		(4.10)	15.1		
1967	13.4		(2.74)	12.3		(2.76)		17.0		(3.82)	16.6		(2.16)
1968	14.0		(2.40)	12.1		(2.56)		13.8		(3.18)	17.0		(2.00)
1969	15.2		(2.46)	12.2		(2.31)		14.6	13.75	(2.63)	16.9		(1.84)
1970	14.9		(2.31)	11.9		(1.95)		14.4		(2.21)	17.1		(1.52)
1971	13.6		(2.12)	14.1		(1.82)		9.4	15.5	(2.34)	15.8		(1.42)
1972	13.8	13.75	(1.77)	13.1	12.875	(1.76)		14.5		(1.84)	14.9	14.13	(1.18)
1973	12.2		(1.32)			(1.40)		13.4		(1.40)	13.4		(.98)
1974	8.3	13.5	(.71)	11.1		(.86)	7.1	11.2	15.5	(1.00)	5.6		(.72)
1975	13.7	14.6	(.74)	13.2	13.75	(.82)	9.9	14.1	14.75	(1.00)	19.6	14.25	(.71)
1976	10.6		(.95)	8.7		(.90)	10.7	12.9		(1.22)	13.0		(.91)
1977	14.9		(.97)	13.2	13.75	(.87)	11.1	13.0	13.75	(1.21)	12.3	14.25	(.99)
1978	13.7	14.3	(.90)	14.5		(.85)	12.8	15.1		(1.11)	15.0	13.50	(.77)
1979	11.4		(.81)	12.6		(.79)	9.4	12.0		(1.00)	12.3		(.77)
1980	9.1		(.72)	11.4		(.69)	13.5	16.5	14.5	(.84)	10.7		(.73)
1981	15.2	15.4	(.78)	12.0	15.85	(.79)	14.4	14.8		(.97)	11.4	14.75	(.72)
1982	11.7		(.91)	13.0		(.89)	14.4	11.8	15.75	(.94)	16.7	15.85	(.82)
1983	13.7	15.85	(1.06)	13.1		(1.01)	15.4	14.0		(1.08)	17.4		(.95)
1984	14.0e	15.55	(1.08)	13.2e	15.60	(1.01)		15.7e	15.50	(1.13)	N/A	15.60	(.93)

1 - Includes relatively large amounts of non-utility earnings
2 - MBR is for the Southern Company, as Gulf's stock is 100% owned by Southern
3 - Range of ± 1%
e - Estimated

Source: 1960-66 data: Moody's Public Utility Manuals
1967-84 data: Value Line Investment Survey
FPSC reports

FLORIDA NUCLEAR PLANTS

Utility	Plant Name	Unit No.	Location	Date Placed In Service	Net Capability-MW[1] Summer	Net Capability-MW[1] Winter	Total Cost (Millions)	Average No. of Employees
FP&L	Turkey Point	3	Dade County	12/72	666	696		
							$293.7[2]	402[2]
FP&L	Turkey Point	4	Dade County	9/73	666	696		
FP&L	St. Lucie	1	St. Lucie County	12/76	822	838	$505.2	229
FPC	Crystal River	3	Citrus County	3/77	717	731	$376.5	192
FP&L	St. Lucie	2	St. Lucie County	8/83	786	800	$1,420	220

[1]Megawatts

[2]Total for both Turkey Point plants

INVESTOR-OWNED GAS UTILITIES
TYPICAL BILL COMPARISON *
RESIDENTIAL SERVICE
DECEMBER 31, 1984

UTILITY	Minimum Bill or Customer Charge	THERMS 10	20	30	40	50	75	100
CENTRAL FLORIDA GAS CORP.	$3.00	$8.99	$14.97	$20.96	$26.95	$32.94	$47.91	$62.87
CITY GAS COMPANY OF FLORIDA	$6.00	$11.77	$17.54	$23.31	$29.08	$34.85	$49.27	$63.69
FLORIDA PUBLIC UTILITIES	$4.00	$9.59	$15.17	$20.76	$26.34	$31.93	$45.89	$59.86
GAINESVILLE GAS COMPANY	$6.00	$10.83	$15.67	$20.50	$25.34	$30.17	$42.26	$54.35
GULF NATURAL GAS COMPANY	$4.00	$8.35	$12.70	$17.05	$21.40	$25.75	$36.62	$47.49
INDIANTOWN GAS COMPANY	$2.50	$7.01	$12.59	18.18	$23.26	$28.35	$40.47	$52.18
MILLER GAS COMPANY	$6.00	$12.77	$19.53	$26.30	$33.06	$39.83	$56.75	$73.66
PEOPLES GAS SYSTEM, INC.	$3.00	$8.78	$14.56	$20.34	$26.12	$31.90	$46.34	$60.79
PLANT CITY NATURAL GAS CO.	$3.00	$9.29	$15.58	$21.87	$28.16	$34.46	$50.18	$65.91
ST.JOE NATURAL GAS COMPANY	$3.00	$6.72	$10.44	$14.16	$17.88	$21.60	$30.90	$40.20
SEACOAST GAS COMPANY	$5.00	$12.33	$19.66	$26.99	$34.32	$41.65	$59.98	$78.30
SOUTH FLORIDA NATURAL GAS CO.	$5.00	$11.90	$18.80	$25.70	$32.60	$39.50	$56.75	$74.00
SOUTHERN GAS COMPANY	$5.00	$10.56	$16.12	$21.67	$27.23	$32.79	$46.69	$60.58
TIMBERLAND UTILITIES	$3.00	$8.51	$14.03	$19.54	$25.05	$30.56	$44.35	$58.13

*Excluding Local Taxes / DECEMBER 1984 GAS COSTS ARE INCLUDED

NATURAL GAS ACCIDENTS

Year	No. of Systems Reporting	No. of Incidents	No. of Injuries	No. of Fatalities	Construction Damage or Negligence
1974	5	10	7	0	10
1975	2	3	0	0	3
1976	4	5	2	2	4
1977	3	9	0	0	4
1978	3	4	1	0	3
1979	7	14	5	1	7
1980	12	17	6	6	13
1981	13	29	36	1	14
1982	12	29	12	2	11
1983	6	20	8	0	14
1984	8	18	1	0	14